

Scotmid Pension GP Limited

**Annual Report & Financial Statements
for the 52 weeks ended 28 January 2023**

Company Registration No SC418610



Contents

	page
Officers and professional advisors	2
Strategic report	3
Directors' report	4
Directors' responsibility statement	5
Independent auditors' report to the members	6 - 7
Profit and loss account	8
Balance sheet	9
Statement of changes in shareholders funds	10
Notes to the financial statements	11 - 13

Scotmid Pension GP Limited

Registered office

Hillwood House
2 Harvest Drive
Newbridge
Edinburgh
EH28 8QJ

Directors

Henry Patrick Fleming Cairney
James Watson

Secretary

John Chapman Dalley

Bankers

HSBC
2 Buchanan Street
Glasgow
G1 3LB

Solicitor

Anderson Strathern WS
1 Rutland Court
Edinburgh
EH3 8EY

Independent Auditor

Anderson Anderson & Brown Audit LLP
1 Lochrin Place
92 Fountainbridge
Edinburgh
EH3 9QA

Scotmid Pension GP Limited

Strategic Report

Principal activity and review of the business

The Company's principal activity is as a partner in Scotmid Pension Limited Partnership and acting as General Partner of that partnership. Scotmid Pension Limited Partnership invests in and manages real estate assets on behalf of its partners.


Review of the Business and Key performance indicators

The profit share earned in the period amounted to £710,527 (2022: £680,137). The profit for the period, after taxation, amounted to £575,517 (2022: £550,911).

Future prospects and risks

The directors anticipate the Company will continue to hold the investment in Scotmid Pension Limited Partnership and receive its allocated profit share. The directors consider the key risk of the partnership underperforming to be very limited.

BY ORDER OF THE BOARD



John Chapman-Dalley
Secretary
27 March 2023

Scotmid Pension GP Limited

Directors' Report

The Directors present their annual report together with the audited financial statements for the period ended 28 January 2023 (2022: 29 January 2022).

Results and dividends

The profit for the period, after taxation, amounted to £575,517 (2022: £550,911). The directors do not recommend paying a dividend.

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements - Principal Accounting Policies on page 11.

Financial risk management objectives and policies

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the Company is reliant on the continued support of its parent.

Directors and Secretaries

The directors who served the Company during the period and up to the date of this report were as follows:

Henry Patrick Fleming Cairney
James Watson

The directors during the period were also directors and members of the ultimate parent undertaking, Scottish Midland Co-operative Society Limited. None of the directors have any interest in the shares of the company.

Disclosure of information to Auditor

In so far as each of the directors are aware:


- there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Anderson Anderson & Brown Audit LLP will therefore continue in office.

BY ORDER OF THE BOARD


John Chapman Dalley
Secretary
27 March 2023

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Scotmid Pension GP Limited

Opinion

We have audited the financial statements of the Scotmid Pension GP Limited (the 'Company') for the year ended 28 January 2023, which comprise the Profit and loss account, the Balance sheet, statement of changes in shareholders funds and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 January 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Directors' Responsibilities

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

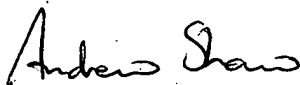
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Management override of controls to manipulate the company's key performance indicators to meet targets
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgments made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Analytical procedures to identify any unusual or unexpected trends or relationship;
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.



Andrew Shaw (Senior Statutory Auditor)
For and on behalf of Anderson Anderson & Brown Audit LLP
Statutory Auditor
1 Lochrin Square, 92 Fountainbridge, Edinburgh, EH3 0QA

31 March 2023

Profit and loss account
for the period ended 28 January 2023

	notes	52 weeks to 28 January 2023 £	52 weeks to 29 January 2022 £
Operating profit	2	-	-
Other Income	3	710,527	680,137
Profit on ordinary activities before taxation		710,527	680,137
Tax on profit on ordinary activities	5	(135,010)	(129,226)
Profit for financial period		575,517	550,911

All activities are classed as continuing operations.

There are no additional items which should be included in a statement of comprehensive income in either the current or previous period, accordingly no such statement is presented.

The notes on pages 11 to 13 form an integral part of these financial statements.

Scotmid Pension GP Limited

Balance sheet as at 28 January 2023

	notes	2023 £	2022 £
Fixed assets			
Investments	6	<u>2,960,000</u>	<u>2,960,000</u>
Current assets			
Debtors	7	5,794,024	5,083,497
Creditors: amounts falling due within one year	8	<u>(826,401)</u>	<u>(691,391)</u>
Net current assets		<u>4,967,623</u>	<u>4,392,106</u>
Net assets		<u>7,927,623</u>	<u>7,352,106</u>
Capital and reserves			
Called up share capital	10	2,960,000	2,960,000
Profit and loss account		<u>4,967,623</u>	<u>4,392,106</u>
Shareholders' funds		<u>7,927,623</u>	<u>7,352,106</u>

The notes on pages 11 to 13 form an integral part of the financial statements. These financial statements were approved by the directors and authorised for issue on 27 March 2023, and signed on their behalf by:



Henry Cairney

Co. Registration Number SC418610

Statement of changes in shareholders funds
as at 28 January 2023

	Share Capital £	Revenue Reserves £	Total £
As at 30 January 2021	2,960,000	3,841,195	6,801,195
Profit for the financial period	-	550,911	550,911
As at 29 January 2022	2,960,000	4,392,106	7,352,106
Profit for the financial period	-	575,517	575,517
As at 28 January 2023	2,960,000	4,967,623	7,927,623

The notes on pages 11 to 13 form an integral part of the financial statements.

Notes to the financial statements for the period ended 28 January 2023

1. Principal Accounting Policies

Basis of accounting

Scotmid Pension GP Limited is a company incorporated, registered and domiciled in Scotland. The financial statements have been prepared in compliance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS102') as it applies to the financial statements for the period ended 28 January 2023.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the director's report. The director's report also describes the financial position of the Company.

The Company's ultimate parent undertaking, Scottish Midland Co-operative Society Limited, includes this company in its consolidated financial statements. The consolidated financial statements are prepared under FRS 102. The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions in respect of these financial statements, as noted below.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £.

Exemptions

In accordance with FRS 102 (and the Application Guidance to FRS 100 'Application of Financial Reporting Requirements'), the company has taken advantage of the exemptions from the following disclosure requirements as they are disclosed in the financial statements of the ultimate parent company, Scottish Midland Cooperative Society Limited:

- Section 7 Statement of cash flows; and
- Section 33 Related party disclosures

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons. The company has minimal cash requirement. The expected liabilities are made up of the tax charge which is driven by the annual profit share from its investee partnership. The Directors have reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the company will have sufficient funds to meet its liabilities as they fall due for that period. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Partnership profit share

The Company holds an investment in Scotmid Pension Limited Partnership. The Company is entitled to the residual share of profit for the period to be allocated among members before taxation and property revaluation of that partnership (after other partners are allocated their share of profits). The Company records its share of profits when the partnership determines the residual profit share each period.

Investments

Fixed asset investments are stated at cost less any provision for impairment.

Current Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred Taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on a non-discounted basis using rates of tax that have been enacted or substantively enacted by the balance date.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no critical judgements or estimates made by the directors in applying the company's accounting policies.

Notes to the financial statements - continued
for the period ended 28 January 2023

2. Operating profit

Audit services relating to the Company have not been charged directly to the Company. Of the total group audit fee, £5,200 (2022: £5,200) related to the audit of these accounts.

3. Other income

Other income of £710,527 (2022: £680,137) is the profit share earned from the Company's investment in Scotmid Pension Limited Partnership.

4. Particulars of employees - directors and employees

The Company did not have employees during the current or prior period. The directors do not receive any emoluments from the Company.

5. Taxation on ordinary activities

(a) Analysis of charge in current period

	52 weeks to 28 January 2023 £	52 weeks to 29 January 2022 £
Current Tax:		
UK corporation tax on profits for the period	135,010	129,226
Adjustment in respect of prior periods	-	-
Tax on profit of ordinary activities	135,010	129,226

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is the same as the standard rate of corporation tax in the UK of 19% (2022: 19%).

	52 weeks to 28 January 2023 £	52 weeks to 29 January 2022 £
Profit on ordinary activities before tax	710,527	680,137
Tax on surplus at standard rate of corporation tax in the UK of 19% (2022: 19%)	135,000	129,226
Factors affecting charge for the period:		
Adjustment relating to company's share in partnership income	135,010	129,226
Adjustment in respect of prior periods	-	-
Income not taxable for corporation tax purposes	(135,000)	(129,226)
Total tax charge	135,010	129,226

The UK corporation tax rate for the chargeable accounting period ended 28 January 2023 is 19%. Additionally, the UK government announced in March 2021 that the UK corporation tax rate will increase from 19% to 25% from 1 April 2023. The rate increase was substantively enacted on 24 May 2021.

Scotmid Pension GP Limited

Notes to the financial statements - continued
for the period ended 28 January 2023

6. Investments

Cost:

At 29 January 2022 and 28 January 2023

Unlisted
£

2,960,000

Details of the companies investments are as follows:

Name	Type	Holding	Nature of business
Scotmid Pension Limited Partnership	Scottish limited partnership	99.94%	Property investment and management

The partnership was established as part of an Asset Backed Funding arrangement put in place by Scottish Midland Co-operative Society Limited (the Company's parent).

7. Debtors

2023
£

2022
£

Amounts owed from group undertakings

5,794,024

5,083,497

Amounts owed from group undertakings are unsecured, repayable on demand and accrue no interest.

8. Creditors: amounts falling due within one year

2023
£

2022
£

Corporation tax

68,005

67,518

Amounts owed to parent undertaking

758,396

623,873

826,401

691,391

Amounts owed to group undertakings are unsecured, repayable on demand and accrue no interest.

9. Share Capital

2023
£

2022
£

Authorised share capital:

2,960,000 ordinary shares at £1 each

2,960,000

2,960,000

Allotted, called up and fully paid:

2,960,000 ordinary shares at £1 each

no.	2023 £	no.	2022 £
<u>2,960,000</u>	<u>2,960,000</u>	<u>2,960,000</u>	<u>2,960,000</u>

10. Ultimate controlling party

The Company's ultimate parent undertaking is Scottish Midland Co-operative Society Limited, registered in Scotland, which heads the smallest and largest group into which these accounts are consolidated.

Copies of the financial statements of Scottish Midland Co-operative Society Limited, into which these financial statements are consolidated can be obtained from its registered office at Hillwood House, 2 Harvest Drive, Newbridge, Edinburgh.

Scotmid Pension Limited Partnership

**Annual Report & Financial Statements
for the 52 week period ended 28 January 2023**

Company Registration No SL010565

Scotmid Pension Limited Partnership

Contents

	page
Officers and professional advisors	2
General partner's report	3
General Partner's responsibility statement	5
Independent auditor's report to the members	6
Profit and loss account	8
Balance sheet	9
Statement of changes in shareholders funds	10
Notes to the financial statements	11-15

Scotmid Pension Limited Partnership

Registered office

Hillwood House
2 Harvest Drive
Newbridge
Edinburgh
EH28 8QJ

Partners

Scotmid Pension GP Limited
Scotmid Pension IP Limited
Scotmid Pension Trustee Limited

Bankers

HSBC
2 Buchanan Street
Glasgow
G1 3LB

Solicitor

Anderson Strathern WS
1 Rutland Court
Edinburgh
EH3 8EY

Independent Auditor

Anderson Anderson & Brown Audit LLP
1 Lochrin Place
92 Fountainbridge
Edinburgh
EH3 9QA

Scotmid Pension Limited Partnership

General Partner's Report

The directors of the general partner present their report and the audited financial statements of Scotmid Pension Limited Partnership for the period ended 28 January 2023 (2022: period ended 29 January 2022). The report has been prepared in accordance with the special provisions relating to small partnerships under Part 15 of the Companies Act 2006. The exemptions utilised include not preparing a Strategic Report.

Principal activity

The principal activity of Scotmid Pension Limited Partnership is to own and lease property.

The partnership was registered (number SL010565) in Scotland as a limited partnership by the Registrar of Companies in Scotland on 18 April 2012 and is a partnership between Scotmid Pension GP Limited, Scotmid Pension IP Limited and Scotmid Pension Trustee Limited (as trustee of the Scottish Midland Co-operative Society Limited Pension Plan).

Business review and principal activities

The profit and loss account on page 8 shows a profit for the financial period ended 28 January 2023 before members' remuneration, property revaluation and profit shares of £1,132,000 (2022: £1,132,000), principally as a result of surplus arising on property rental.

The balance sheet on page 9 shows the partnership's financial position at the year end.

The limited partnership is currently in a net asset position and reported an increase in the value of its property holdings. The limited partnership had sufficient cash flow to meet its obligations during the period. The directors of the General Partner are of the opinion that the limited partnership has adequate resources to continue in operational existence for the foreseeable future. The directors of the General Partner are satisfied with the partnership's results and its financial position and will continue to pursue suitable business opportunities.

Going Concern

The directors have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the notes to the accounts.

Partners

The Partners and their respective capital interest of the Partnership at the end of the period are as follows:

Scotmid Pension GP Limited	£2,960,000	99.94%
Scotmid Pension IP Limited	£1,000	0.03%
Scotmid Pension Trustee Limited	£1,000	0.03%

Scotmid Pension Trustee Limited acting as sole trustee of the Scottish Midland Co-operative Society Limited Pension Plan holds an interest in the Partnership. Scotmid Pension Trustee Limited has an additional 'other interest' in the partnership put in place as a mechanism to clear the Plan deficit. This 'other interest' includes the balance of partners other contributions, as detailed below, less the agreed fixed annual profit sum covering finance interest and capital repayment and is classified as a financial liability and disclosed as such in these accounts. Scotmid Pension IP Limited's capital interest is classified as a financial liability and disclosed as such in these accounts. Scotmid Pension GP Limited is the General partner and, as such, has exclusive responsibility for the management of the business of the Partnership.

Scotmid Pension Limited Partnership

Partners' Agreement

Partners Capital

The Partnership Agreement specifies the value of contributions (shown above) by each of the partners defined as their Capital Contribution to the Partnership. This is disclosed on the balance sheet as 'members capital classified as equity'.

Partners Other Contributions

In addition to its Capital Contribution, Scotmid Pension Trustee Limited made a further additional contribution to the Partnership of £11,223,000; this further contribution is not defined as capital by the Partnership Agreement. This other contribution is not repayable by the Partnership.

Allocation of Income Profits

The Partnership Agreement specifies the allocation bases of Income Profits as follows:

Scotmid Pension IP Limited	5% of capital invested
Scotmid Pension Trustee Limited	£969,000 per period for 20 years
Scotmid Pension GP Limited	Residual cumulative income profits and losses

Entitlement to Income Profit divisions accrues to each of Scotmid Pension IP Limited and Scotmid Pension Trustee Limited in each period. The distribution of Scotmid Pension Trustee Limited's profit share is specified by the Partnership Agreement. Distribution of all other profit shares is at the discretion of Scotmid Pension GP Limited acting as General Partner. Annual property revaluation recorded through the profit and loss account is classed as a non-distributable profit.

Allocation of Capital Profits

All capital profits or losses accrue to Scotmid Pension GP Limited when they are realised.

Contingent Payments

The Partnership Agreement specifies payments that would become payable to Scotmid Pension Trustee Limited should certain Trigger Events occur. The value of this payment reduces over time to reach zero after 20 years. The Partnership is required to ensure the value of investment properties held is sufficient to at least satisfy this obligation.

Disclosure of Information to Auditor

Each of the persons who is a director of the General Partner at the date of approval of this report confirms that:

Insofar as each of the directors are aware:

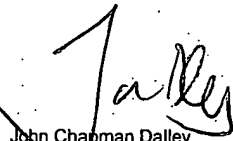
- there is no relevant audit information of which the partnership's auditor is unaware; and
- each of the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor appointed within the year is Anderson Anderson & Brown Audit LLP and will be deemed to be re-appointed to continue in office.

For and on behalf of the General Partner



John Chapman Dalley
General Partner – Scotmid Pension GP Ltd, Secretary
27 March 2023

Statement of general partners responsibilities in respect of the general partners' report and the financial statements

The general partners are responsible for preparing the general partners' report and the partnership financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the general partners to prepare partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the general partners have elected to prepare the partnership financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the general partners must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the general partners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partners are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.

The general partners are responsible for the maintenance and integrity of the corporate and financial information included on the qualifying partnership's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Scotmid Pension Limited Partnership

Opinion

We have audited the financial statements of the Scotmid Pension Limited Partnership ("the qualifying partnership") for the year ended 28 January 2023, which comprise the Profit and loss account, the Balance sheet, statement of changes in shareholders funds and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 28 January 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and the qualifying partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the general partners' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the qualifying partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the general partners with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The general partners are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the general partners' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the general partners' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the general partners' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the general partners were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the general partners' report and from the requirement to prepare a Strategic report.

General Partners' responsibilities

As explained more fully in the General Partners' responsibilities statement set out on page 5, the general partners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the general partners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partners are responsible for assessing the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the general partners either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

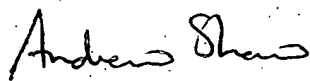
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Management override of controls to manipulate the qualifying partnership's key performance indicators to meet targets.
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the qualifying partnership needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgments made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Analytical procedures to identify any unusual or unexpected trends or relationship;
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.



Andrew Shaw (Senior Statutory Auditor)
For and on behalf of Anderson Anderson & Brown Audit LLP
Statutory Auditor
1 Lochrin Square, 92 Fountainbridge, Edinburgh, EH3 9QA

Date: 31 March 2023

Profit and loss account

for the period ended 28 January 2023

	notes	52 weeks to 28 January 2023 £'000	52 weeks to 29 January 2022 £'000
Turnover	2	1,132	1,132
Cost of sales		<u>-</u>	<u>-</u>
Operating profit for the period before members' remuneration and profit shares	4	1,132	1,132
Members Remuneration charged as expense	3	<u>(422)</u>	<u>(452)</u>
Profit for the year to be allocated among members before taxation and revaluation		710	680
Investment property revaluation		<u>150</u>	<u>868</u>
Profit on activities before taxation		860	1,548
Tax on profit		<u>-</u>	<u>-</u>
Profit for the period after taxation		<u>860</u>	<u>1,548</u>

The accompanying notes 1 to 11 form an integral part of this profit and loss account.

All of the activities are classed as continuing.

There are no additional items which should be included in a statement of Comprehensive Income in either the current or previous period, accordingly no such statement is presented.

Scotmid Pension Limited Partnership

Balance sheet as at 28 January 2023

	notes	2023 £'000	2022 £'000
Fixed assets			
Investment Properties	5	<u>20,928</u>	<u>20,778</u>
		20,928	20,778
Current assets			
Cash at bank and in hand		2,821	2,971
Creditors: amounts falling due within one year	6	<u>(424)</u>	<u>(738)</u>
Net current assets		<u>2,397</u>	<u>2,233</u>
Net Assets Attributable to Partners		<u>23,325</u>	<u>23,011</u>
Represented by:			
Loan and other debts due to members			
Members' interests classified as a liability due in more than one year	7	6,626	7,173
Members' interests classified as a liability due in less than one year	7	970	970
Members other interests			
Members' capital classified as equity	8	2,960	2,960
Members' other interests - other reserves classified as equity	8	12,769	11,908
		<u>23,325</u>	<u>23,011</u>

The accompanying notes 1 to 11 form an integral part of this balance sheet.

The accounts have been prepared in accordance with the small qualifying partnership regime.

These financial statements were approved by the members and authorised for issue on 27 March 2023, and signed on its behalf by:



Henry Patrick Fleming Caimey
General Partner - Scotmid Pension GP Ltd, Director
Partnership registration no. SL010565

Statement of changes in shareholders funds
as at 28 January 2023

	Partners Capital £'000	Revaluation Reserves £'000	Revenue Reserves £'000	Total £'000
As at 30 January 2021	2,960	5,876	4,484	13,320
Profit for the financial period	-	-	1,548	1,548
Reclassification of revaluation of investment properties	-	868	(868)	-
As at 29 January 2022	2,960	6,744	5,164	14,868
Profit for the financial period	-	-	860	860
Reclassification of revaluation of investment properties	-	150	(150)	-
As at 28 January 2023	2,960	6,894	5,875	15,729

Property revaluation restated through FRS 102 has been assumed to be categorised as revaluation reserve rather than revenue reserves.

The accompanying notes 1 to 11 form an integral part of this financial statement.

Notes to the financial statements

for the period ended 28 January 2023

1. Accounting policies

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior periods.

The company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions in respect of these financial statements, as noted below.

Basis of preparation

Under the Partnership (Accounts) Regulations 2008, the Partnership, as a qualifying partnership, is required to prepare and have audited an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the Partnership was a company formed and registered under the Companies Act.

Under the Companies Act, the partners have the choice whether their financial statements are prepared under that applicable law and either UK Accounting Standards (UK Generally Accepted Accounting Practice) or International Financial Reporting Standards (IFRSs) as adopted by the UK. The partners have decided to apply UK Generally Accepted Accounting Practice, including FRS 102, the financial reporting standard applicable within the UK and Ireland.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards. The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

As the Partnership is ultimately wholly owned by Scottish Midland Co-operative Society Limited. The consolidated financial statements of Scottish Midland Co-operative Society Limited, within which this Partnership is included, can be obtained from the registered office at Hillwood House, 2 Harvest Drive, Newbridge, EH28 8QJ.

Going Concern

The financial statements have been prepared on a going concern basis which the partners believe to be appropriate for the following reasons.

At the year end, the partnership had net assets of £23.3 million and net current assets of £2.4 million. It manages its day to day and medium term funding requirements through cash balances. At 28 January 2023 the partnership had cash balances of £2.8 million. The global COVID-19 coronavirus pandemic continues to impact all businesses. As a result of the pandemic and the road map out of lock down, there is expected to be some unpredictable variation in the value and timing of cash flows. The partners have reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts, which include a severe but plausible downside draw on the experience of the wider group through the lock downs of the last financial years. The downside scenario includes a reduction in rental income from the property portfolio. Based on the above indications, the partners believe that it remains appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover is recognised to the extent the partnership has become entitled to receive the rental income under the lease agreements in place. Turnover is measured net of applicable VAT.

Profit Allocation

Profits are allocated according to the Partnership agreement. The Partnership agreement allocates any trading profit as follows, in the following order:

- | | | |
|----|---------------------------------|---------------------------------------|
| 1) | Scotmid Pension IP Limited | 5% of capital investment |
| 2) | Scotmid Pension Trustee Limited | remaining profit up to a fixed amount |
| 3) | Scotmid Pension GP Limited | all residual trading profits |

All realised capital gains or losses (i.e. on sale of land and buildings and investment properties) accrue to Scotmid Pension GP Limited. Until they are realised gains and losses in these financial statements they are recorded against the Scotmid Pension GP Limited's interests.

Operating costs

Operating costs are charged to the income statement on an accruals basis.

Partners' capital

In accordance FRS 102 Section 12, partners' capital, where there is no fixed entitlement to a share of profits has been classified as an equity balance.

Partners' financial liability

In accordance with FRS 102 Section 12, partners' capital, where there is a fixed entitlement to a share of profits has been classified as a financial liability.

In accordance with FRS 102 Section 12, partners' other interest, where there is an entitlement to receive a specified share of profits has been classified as a financial liability. The value of the liability is amortised over the 20 year entitlement period. A charge is recognised in each period to reflect the effective interest cost of this financial liability under the heading 'Members' remuneration charged as an expense' as detailed in Note 3.

Taxation

No tax is recorded in the financial statements of the Partnership, as all tax liabilities are liabilities of the Partners, not the Partnership.

**Notes to the financial statements - continued
for the period ended 28 January 2023**

Members' remuneration

Remuneration paid to members under employment contracts, any other non-discretionary amounts payable to members and any automatic divisions of profit are recognised as an expense in the profit and loss account as incurred, under the heading 'Members' remuneration charged as an expense'.

A division of profits that is discretionary on the part of the Partnership is recognised as an appropriation of equity when the division occurs.

Fixed assets - land and buildings

All Land and Buildings are initially recorded at cost. Land and Buildings occupied by other group companies are stated at cost net of depreciation and any provision for impairment. Land and Buildings not occupied by group companies are treated as Investment Properties.

Depreciation on Land and Buildings occupied by group companies is calculated to write down their cost to their estimated residual values by equal annual instalments over the period of their estimated useful economic lives, which are considered to be 40 years.

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve except that a deficit which is expected to be permanent or the reversal of such a deficit, is charged (or credited) to the revenue account. On disposal of investment properties, any related balance remaining in the revaluation reserve is transferred to the revenue reserve.

Exemptions

In accordance with FRS 102 (and the Application Guidance to FRS 100 'Application of Financial Reporting Requirements'), the partnership

- Section 7 Statement of cash flows; and
- Section 33 Related Party Disclosures

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

At each year-end investment properties are revalued by a third party surveyor based on recent market value conditions. Movements in the valuations are recognised through the profit and loss and risk exists on this assumption with the value only being confirmed if the property was to be sold.

Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no other critical judgements or estimates made by the directors in applying the company's accounting policies.

2. Turnover

Turnover represents the portion of rental income received and/or receivable in the period applicable to the period, net of VAT.

Turnover is received for the rental of UK properties on long term leases with third parties and the Partnership's ultimate parent, Scottish Midland Co-operative Society Ltd.

3. Members' remuneration charged as an expense

Non-discretionary divisions of profits due to members under the partnership agreement totalling £969,050 (2022: £969,050) in the period offset by the reduction in members other interests classified as a financial liability of £516,837 (2022: £488,135) is the effective interest cost of the members other interests. This effective interest cost is classified as 'Members remuneration charged as an expense' in the Profit and Loss Account.

4. Operating Profit

The partnership had no employees during the current or prior period.

Audit services relating to the partnership have been borne by another Group company and not been charged directly to the partnership. Of the total group audit fee, £6,500 (2022: £6,500) related to the audit of these accounts.

Notes to the financial statements - continued
for the period ended 28 January 2023

5. Fixed assets

	Investment Properties £'000
Balance at 29 January 2022	20,778
Revaluation	150
Balance at 28 January 2023	<u>20,928</u>

Investment properties were independently valued by D M Hall Chartered Surveyors as at 28 January 2023 at open market value on the basis of the existing use, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. The valuation was arrived at on the basis of an inspection and survey of a sample of the Partnership's investment properties as a subset of a wider valuation of the ultimate parent's investment property portfolio.

6. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Other tax and social security	55	55
Accruals and deferred income	<u>369</u>	<u>683</u>
	<u>424</u>	<u>738</u>

7. Loans and other debts due to members

	2023 £'000	2022 £'000
Members' interests classified as liability due in more than one year	6,626	7,173
Members' interests classified as liability due in less than one year	<u>970</u>	<u>970</u>
	<u>7,596</u>	<u>8,143</u>

Scotmid Pension Limited Partnership

Notes to the financial statements - continued
for the period ended 28 January 2023

7. Loans and other debts due to members - continued

Movement in members' interests classified as a liability

	Liability due in more than one year £'000	Liability due in less than one year £'000	Total £'000
At 29 January 2022	7,173	970	8,143
Division of profit paid during the period	-	(969)	(969)
Liability reduction classified as members' remuneration	(547)	-	(547)
Non-discretionary division of profits due to members classified as members remuneration	-	969	969
At 28 January 2023	6,626	970	7,596

Under FRS 102: Section 11 'Financial Instruments' the other partners contribution made by Scotmid Pension Trustees Limited is recognised as a financial liability within the partnership to reflect the defined allocation of profits per the partnership agreement.

Scotmid Pension Trustee Ltd as trustee of Scottish Midland Co-operative Society Ltd Pension Plan is entitled to a profit share of £969,000 each period, of which the finance element is disclosed as Members' remuneration charged as an expense. In the period to 28 January 2023, this expense totalled £421,773 (2022: £452,213), with the remaining £547,227 (2022: £516,837) being a reduction in the liability owed to Scotmid Pension Trustee Ltd as trustee of Scottish Midland Co-operative Society Ltd Pension Plan.

8. Partners' interests

	Partners' Capital £'000	Distribution: £'000	Share of Profit £'000	Share of Revaluation Reserve £'000	Total £'000
Limited Partners:					
Scotmid Pension IP Ltd	-	-	-	-	-
Scotmid Pension Trustee Ltd	-	-	-	-	-
General Partner:					
Scotmid Pension GP Ltd	2,960	-	5,875	6,894	15,729
	2,960	-	5,875	6,894	15,729

Movement in partners' other interests

	Profit and Loss Account £'000	Revaluation Reserve £'000	Total £'000
At 29 January 2022	5,164	6,744	11,908
	5,164	6,744	11,908
Profit for the period	860	-	860
Current year reclassification	(150)	150	-
At 28 January 2023	5,874	6,894	12,768

Scotmid Pension Limited Partnership

Notes to the financial statements - continued for the period ended 28 January 2023

9. Taxation

The financial statements do not incorporate any charge or liability for taxation on the results of the Partnership, as the relevant tax is the responsibility of the Individual Partners.

10. Contingent Liability

The Partnership Agreement allows for payments to be paid to Scotmid Pension Trustee Limited in event of certain Trigger Events. Given the uncertainty over the likelihood and timing of such events this arrangement is considered to be a contingent liability. Of the total payments payable under this arrangement at the period end, a balance of £6,000,000 (2022: £6,000,000) is not recognised in these accounts. The General Partner directors do not consider this liability will arise in the foreseeable future and have accordingly not made a provision.

11. Controlling party and ultimate parent company

At 28 January 2023 the Partnership was controlled by Scotmid Pension GP Limited, a company registered in Scotland and the Partnership's ultimate parent was Scottish Midland Co-operative Society Limited. The smallest and largest group in to which the partnership is consolidated is the Scottish Midland Co-operative Society Limited. Copies of their annual report are available from Hillwood House, 2 Harvest Drive, Newbridge, Edinburgh.