

# **SFTi Annual Report and Financial Statements**

**For the year ended 31 March 2025**

**SC381388**

**SCOTTISH FUTURES TRUST INVESTMENTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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## **SCOTTISH FUTURES TRUST INVESTMENTS LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS**

### **CHAIR'S STATEMENT**

It is my pleasure to present Scottish Futures Trust Investments Limited's annual report and accounts for the year ended 31 March 2025.

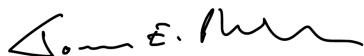
The purpose of Scottish Futures Trust Investments Ltd (SFTi), which is a wholly owned subsidiary of Scottish Futures Trust Limited (SFT), is to make and hold long-term investments in revenue-funded Design, Build, Finance and Maintain (DBFM) community infrastructure projects delivered through the SFT-managed hub Programme as well as in SFT's National Housing Trust programme and Housing Delivery Partnerships. Returns on these investments contribute significantly to SFT's income stream.

SFTi's investment portfolio plays a strategic role in the wider SFT Group's business. In total, SFTi has invested £16.5m in 41 hub DBFM projects across Scotland. All of the projects are operational and during the financial year the portfolio has met target returns with projects generally performing well.

In the affordable housing sector, SFTi continues to support the delivery and provision of mid-market rent housing and works closely with local authorities, Scottish Government and wider stakeholders to increase the supply of affordable homes and secure the long-term retention of homes for mid-market rent. SFTi has also supported local authorities with performance issues arising from the delivery phase of mid-market rent homes, helping to ensure that quality standards are maintained.

The company made a profit before tax and fair value movements of £1.2m (2024: £1.1m) which the Board considers to be an important financial indicator for SFTi, given our intention to hold all DBFM investments to maturity.

In my role as Chair, I am keen that SFTi continues to work with stakeholders to explore ways in which the DBFM projects can improve their energy efficiency and to increase the supply of affordable homes across Scotland. SFTi continues to seek to drive value and deliver outcomes aligned with group strategy set out in SFT's Corporate Plan.



**Joseph E Philipsz**  
**Chair**

**Date:** 8/9/2025

## **SCOTTISH FUTURES TRUST INVESTMENTS LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS**

### **STRATEGIC REPORT**

The directors consider the Annual Report and Financial Statements taken as a whole, is fair, balanced and provides the information necessary to assess the Company's performance, business model and strategy.

#### **Principal Activity**

SFTi is a wholly owned subsidiary of SFT, and its sole activity is to act as an investment company. The Company has no employees or other operations. Investments made by SFTi are managed by its directors. SFT staff and an externally appointed director represent the SFTi directors on the boards of companies in which SFTi invests, and provide finance, governance and other corporate services to SFTi. SFTi pays SFT a management charge for providing this service.

#### **Strategy**

SFTi's strategy is to invest in companies to support the long-term development of infrastructure in Scotland. To date, this has been mainly focused upon investing funds provided by the Scottish Government as equity and subordinated debt into Design, Build, Finance and Maintain (DBFM) projects in the SFT managed hub programme. Returns from these investments deliver cash income to the SFT Group and these returns will be used to support the operations of the Group.

SFTi also invests small amounts in Housing Limited Liability Partnerships (LLPs) to support the development of affordable and mid-market housing in Scotland.

Together with our parent company we are fully committed to cutting greenhouse gas emissions. Whilst climate change has minimal direct impact on SFTi we strive to ensure that sustainability issues are addressed both in our own operations and in conjunction with those businesses we support. Our parent company's sustainability report for 2024/25 can be viewed on SFT's website. In addition, every three years our parent company publishes a Biodiversity Report which describes our impact in that area for the previous three years. Our latest report published in January 2024 is for the period January 2021 to December 2023 and is on our website here [SFT 2021-23 Biodiversity Report](#).

#### **Business Review**

##### **Overall Results**

The results for the year are shown on page 13 in the Statement of Comprehensive Income. Income consists mainly of investment returns from the 41 DBFM projects SFTi is invested in. Further details on amounts received are provided within Note 5 and on operating expenditure within Note 6. Profit on ordinary activities before taxation but after fair value movement on subordinated debt was £1.1m (2024: £1.3m), which resulted in a tax charge of £266k.

The Company generated a healthy return from its investment portfolio before tax and fair value movements of £1.2m (2024: £1.1m). Returns are transferred, as appropriate, to the parent company via dividend and applied to help fund its activities. In the current year, dividends of £866k were distributed by SFTi to SFT. The Directors intend to hold the equity and subordinated debt investments to maturity and not crystallise any fair value gains or losses. They therefore consider the return before fair value movements to be an important financial indicator for the Company.

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### Hub DBFM Project Investments

In line with guidance contained within IFRS 9 and the terms of the subordinated debt instruments entered into, we consider the subordinated debt to be a contractually linked instrument which does not meet all of the SPPI (solely payments of principal and interest) cashflow characteristic tests, and it is therefore deemed appropriate that these instruments are held at fair value through profit or loss.

As of 31 March 2025, the subordinated debt estimated fair value was £19.5m compared to £19.8m as of 31 March 2024. The decrease in fair value of £0.3m reflects the aggregate impact of:

- subordinated cashflows received during the year of £1,947k,
- a £53k fair value increase in the subordinated debt interest forecast by projects,
- the effect of discounting where SFTi is, in general, one year closer to receiving the subordinated debt cashflows which increased the fair value by £1,616k, and
- a £6k decrease due to the increase in discount rate for 2 projects with the remaining 39 projects remaining at a discount rate of 8.25%.

In line with IFRS 9, equity investments are held at fair value based upon the forecast dividend returns and the movement in the fair value of equity investments is shown below the net profit figure, under other comprehensive income.

As of 31 March 2025 their estimated fair value was £1.3m compared to £1.2m as of 31 March 2024. The increase in fair value of £78k (2024 £146k) reflects the aggregate impact of:

- project dividends received in the year which decreased the fair value by £9k,
- movements in the dividends forecast by projects which resulted in a net increase of £38k in the fair value,
- the effect of discounting where SFTi is, in general, one year closer to receiving dividend income which increased the fair value by £50k, and
- the effect of increasing the discount rate for 2 projects by 0.25% which resulted in a further £1k decrease.

### Housing Investments

In addition to hub DBFM projects, SFTi also invests in Limited Liability Partnerships (LLPs) under the Housing Delivery Partnership (HDP) programme, which aims to increase the supply of affordable housing in conjunction with Local Authority partners. SFTi also remains invested in the National Housing Trust (NHT) programme.

Together, the NHT and HDP programmes have 9 LLPs in place across the country with an equity valuation of £9, 5 of which, as at 31 March 2025, are fully operational, 2 are dormant and 2 are in the process of being put into liquidation.

The NHT and HDP LLP investments are not anticipated to make material financial returns to the Company.

## SCOTTISH FUTURES TRUST INVESTMENTS LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS

#### Risks and Mitigation

The most significant financial risk to the Company is investment performance on its DBFM investments. At 31<sup>st</sup> March 2025 two projects (Dalbeattie & Inverclyde Care Home) had distributions withheld due to the lender's position on ongoing performance matters. Due to the heightened risk because of the performance issues for the 2 projects the discount rate was increased by 0.25% in the year. The effect on the valuation as at 31<sup>st</sup> March 2025 of these withheld distributions and change in discount rate, was negligible. All other DBFM projects have made distributions as forecast during the year. The DBFM companies' facilities management partners have continued to perform well during the financial year.

For financial year 2024/25, the main risks to investment performance were macro-economic factors such as corporation tax. Due to the tax rate being higher than originally forecast at contract close, some projects are forecasting re-profiling of future subordinated debt repayments. At the year-end three projects forecast that they will be unable to repay subordinated loan notes in full by their expiry dates. However, it is noted that forecasts may change further with future changes in macro-economic factors and currently the portfolio is making returns as anticipated.

Factors that may affect future DBFM dividend returns and valuation of equity, are investment performance, inflation, underlying interest rates and tax charges. The DBFM companies pay a fixed interest rate on senior and subordinated debt thus providing mitigation against interest rate movements, however, the underlying interest rate impacts interest received for cash on deposit and can impact the discount rate applied to calculate the investment valuations. Regarding inflation, the unitary charge payable by procuring authorities is structured in such a way to ensure the project is robust to upward and downward movements in RPI. Actual and future tax, interest rate and inflation assumptions for all project investments require to be agreed every 6 months with senior lenders and the current valuation is based on agreed senior lender assumptions.

The investment risk is mitigated by:

- investing through a well understood and closely controlled Design, Build, Finance and Maintain contract structure, which passes significant risk to sub-contractors out with the investment vehicle;
- close operational management of investments by the relevant SFT staff member (and his/her alternates), who is a director of the DBFM special purpose vehicle (SPV) companies established to deliver each project.
- use of a Portfolio Monitoring Model which records the payment profiles for both dividends and subordinated debt for each DBFM project based on the original financial close model and the operational models. An independent commercial review of the model is undertaken annually by an external party for purpose of identifying potential financial risks within the portfolio of projects.
- a SFTi representative on the Board of each territory hub Company, which gives clear visibility of investment pipeline and delivery capabilities. Previously this person was an employee but is now an externally appointed director appointed by SFTi; and

## **SCOTTISH FUTURES TRUST INVESTMENTS LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS**

- SFTi representation on the Board of Members and Board of Management of each housing investment.

Both DBFM and housing investments carry reputational risk, particularly around the relationship with partners and the lack of direct control by SFTi.

As an investment company SFTi does not maintain separate non-financial key performance indicators.

### **Going Concern and viability statement**

The directors believe it is appropriate for the SFTi Financial Statements to adopt the going concern basis of accounting. This is based on the investments held and related income streams which are expected to generate income for a period of 20 years.

As such, the directors have reviewed the sensitivities and reverse stress test to the end of March 2027 and believe SFTi will be able to continue in operation and meet its liabilities taking account of its current position and principal risks and issues, as detailed above.

### **Future Plans**

SFTi will continue to invest, as the opportunities arise and as funding allows, in SPV companies which support the development of infrastructure in areas such as housing, schools and other community or economic infrastructure projects. There will be no further investments made in hub DBFM projects as that financed investment programme has come to an end.

For housing, we will continue to work with partners to achieve positive exit strategies from the National Housing Trust LLPs, which will eventually decrease to nil over the next few years. Existing Housing Delivery Partnership LLPs will continue to invest in new homes, and we will continue to look for opportunities to establish more instances of this structure with local authorities. We continue to pursue other innovative finance and delivery approaches to housing investment. However, this will also be affected by the wider context of uncertain investment appetite due to the wider fiscal, economic and regulatory environment.

The Strategic Report is approved by the Board of Directors and signed on its behalf by:



**Peter Reekie**  
**Executive Director**

**Date:** 8/9/2025

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**DIRECTORS' REPORT**

**Directors**

The business review of the Company is included in the Strategic Report in accordance with the Companies Act 2006 s.414 (C11). The directors who held office during the year and up to the signing of these financial statements are as follows:

Ian Russell	Chairman (resigned 11 April 2024)
Joseph E Philipsz	Chairman (appointed 11 April 2024)
Peter C M Reekie	Executive Director
William S Matthews	Non-Executive Director (resigned 31 December 2024)
Pauline I F Mills	Non-Executive Director
Graham F Watson	Non-Executive Director (resigned 31 March 2025)
Stella Matko	Non-Executive Director
Nicholas M Rowan	Non-Executive Director
Stephen J Slessor	Non-Executive Director
Alistair G Brown	Non-Executive Director (appointed 1 May 2025)
Thomas M Dickson	Non-Executive Director (appointed 1 May 2025)

The Company is wholly owned by Scottish Futures Trust Limited, a company wholly owned by the Scottish Ministers. Under section 251 of the Companies Act 2006, the Scottish Ministers are considered to be the Shadow Director of the Company.

**Statement of Directors Responsibilities in respect of the Annual Report and Financial Statements**

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. 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 and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

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

### **Post balance sheet events**

There are no post balance sheet events requiring disclosure.

### **Auditor and AGM**

The Auditor General for Scotland appointed Grant Thornton as SFT's external auditor for the five year period from 2022/23 to 2026/2027 and accordingly, the directors of SFTi appointed Grant Thornton as the Company's auditor for 2022/23, 2023/24 and 2024/25. The fee for this service for 2024/25 was £60,390 including VAT (2023/24: £54,900), which related solely to the provision of the statutory audit service.

The Company has elected to dispense with the holding of the AGM, the laying of financial statements in a general meeting and the annual appointment of the auditor as meetings between the Company's sole shareholder, Scottish Futures Trust and its sole shareholder, the Scottish Government, occur on a regular basis.

On behalf of the Board:



**Peter Reekie**  
**Executive Director**

**Date:** 8/9/2025

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SCOTTISH  
FUTURES TRUST INVESTMENTS LIMITED**

**Opinion**

We have audited the financial statements of Scottish Futures Trust Investments Limited (the 'company') for the year ended 31 March 2025, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements 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 'Auditor's 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 UK, including the FRC'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.

**Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as tax rates and in relation to deductions that may be incurred for underperformance. We assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

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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 and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and financial statements. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

### **Opinions on other 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

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 strategic report or the directors' report.

### **Matters on which we are required to report by exception**

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.

## **SCOTTISH FUTURES TRUST INVESTMENTS LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS**

### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, set out on page 7, 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.

### **Auditor's 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 auditor's 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We have obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and industry in which it operates through our general commercial and sector experience and discussions with management. We determined the following laws and regulations were most significant: International Financial Reporting Standards and the Companies Act 2006;
- We have enquired with management as to any instances of non-compliance with any of the applicable laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud;
- We have assessed the susceptibility of the financial statements to material misstatement, including how fraud may occur:
  - Identifying and testing journal entries, with a focus on large or unusual journals, considered by the engagement team to carry a higher risk of fraud;
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item. These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the following:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation.
  - Knowledge and experience of the industry in which the client operates; and

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- Understanding of the requirements of IFRS, the Companies Act 2006 and the application of the legal and regulatory requirements to the Company;
- In assessing the potential risk of material misstatement, we have obtained an understanding of:
- The Company's operations, including the nature of its income sources, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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 auditor's 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.

*Grant Thornton uk LLP*

Fraser J Doak  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Edinburgh

9/9/2025

**SCOTTISH FUTURES TRUST INVESTMENTS LIMITED**  
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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025	2024
		£	£
<b>Continuing operations</b>			
Revenue		-	-
Cost of sales		-	-
		_____	_____
<b>Gross Profit</b>		-	-
		_____	_____
Other income	5	1,773,340	1,787,644
Operating expenditure	6	(698,304)	(534,744)
		_____	_____
<b>Profit on ordinary activities before taxation</b>		1,075,036	1,252,900
Tax charge on profit on ordinary activities	7	(266,279)	(312,360)
		_____	_____
<b>Net profit for the year</b>		808,757	940,540
<b>Other comprehensive income</b>			
Gain on fair value of equity investments	8a	78,383	146,306
		_____	_____
<b>Other comprehensive income for the year</b>		78,383	146,306
		_____	_____
Total comprehensive profit for the year		887,140	1,086,846
		_____	_____
<b>Attributable to Equity holder of the Company</b>		887,140	1,086,846
		_____	_____

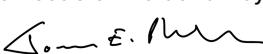
The accompanying notes form an integral part of these financial statements

**SCOTTISH FUTURES TRUST INVESTMENTS LIMITED**  
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**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025**

	Note	2025	2024
			Restated
<b>ASSETS</b>		£	£
<b>Non-current assets</b>			
Investments - share capital (equity)	8a	1,338,734	1,260,355
Investments - working capital loans	8b	57,488	62,688
Investments - subordinated debt	8c	19,508,136	19,792,226
		_____	_____
		20,904,358	21,115,269
<b>Current assets</b>			
Trade and other receivables in less than one year	9	515,012	528,793
Investments - working capital loans	8b	10,000	60,000
Cash and cash equivalents	10	2,220,222	2,064,989
		_____	_____
		2,745,234	2,653,782
<b>Current liabilities</b>			
Trade and other payables	11	(36,648)	(86,426)
Current tax liabilities	7	(411,359)	(357,531)
		_____	_____
		(448,007)	(443,957)
<b>Net current assets</b>		2,297,227	2,209,825
<b>Non-current liabilities</b>			
Deferred taxation provision	7	(434,858)	(579,812)
		_____	_____
<b>Net assets</b>		22,766,727	22,745,282
		_____	_____
<b>Equity</b>			
Called up share capital	12	1	1
Retained earnings	12	2,817,816	2,692,229
Other reserve – Tranche 1	12	5,267,467	5,308,627
Other reserve – Tranche 2	12	10,610,173	10,674,708
Fair value reserve	12	4,071,270	4,069,717
		_____	_____
<b>Total shareholder's funds</b>		22,766,727	22,745,282
		_____	_____

These financial statements were approved by the Board of Directors on 8/9/2025 and authorised for issue on its behalf by:

  
**Joseph E. Philipsz**

**Chair**

  
**Peter C M Reekie**  
**Executive Director**

Registered Company Number: SC381388

The accompanying notes form an integral part of these financial statements

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**STATEMENT OF CHANGES IN EQUITY**

<b>As at 31 March 2025 and 31 March 2024</b>	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Other Reserve – Tranche 1</b>	<b>Other Reserve – Tranche 2</b>	<b>Fair Value Reserve</b>	<b>Total</b>
	£	£	£	£	£	£
At 1 April 2024	1	2,692,229	5,308,627	10,674,708	4,069,717	22,745,282
Total comprehensive income for the year	-	887,140	-	-	-	887,140
Dividend paid	-	(760,000)	(41,160)	(64,535)	-	(865,695)
Transfer between reserves	-	(1,553)	-	-	1,553	-
<b>At 31 March 2025</b>	<b>1</b>	<b>2,817,816</b>	<b>5,267,467</b>	<b>10,610,173</b>	<b>4,071,270</b>	<b>22,766,727</b>
<b>At 1 April 2023</b>	<b>1</b>	<b>2,582,983</b>	<b>5,340,071</b>	<b>10,674,708</b>	<b>3,755,673</b>	<b>22,353,436</b>
Total comprehensive income for the year	-	1,086,846	-	-	-	1,086,846
Dividend paid	-	(695,000)	-	-	-	(695,000)
Transfer between reserves	-	(282,600)	(31,444)	-	314,044	-
<b>At 31 March 2024</b>	<b>1</b>	<b>2,692,229</b>	<b>5,308,627</b>	<b>10,674,708</b>	<b>4,069,717</b>	<b>22,745,282</b>

Other Reserve – Tranche 1 is funding received pre 2015 from SFT to fund capital investments.

Other Reserve – Tranche 2 is funding received post 2015 from SFT to fund capital investments.

The accompanying notes form an integral part of these financial statements

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025	2024 Restated
		£	£
<b>Cash flows from operating activities</b>			
Profit on ordinary activities before taxation		1,075,036	1,252,900
Expected credit loss provision	6	(4,800)	(2,100)
Loss/(gain) on fair value of sub debt	8c	76,830	(167,738)
Decrease in trade and other receivables	9	13,781	269,055
(Decrease)/increase in trade and other payables	11	(49,777)	86,026
		_____	_____
Net cash generated from operating activities		1,111,070	1,438,143
<b>Corporation tax paid</b>	7	(357,406)	(62,356)
<b>Cash flows from investing activities</b>			
Dividend paid		(865,695)	(695,000)
Disposal of LLPs	8a	4	6
Repayment of subordinated debt	8c	207,260	221,858
Repayment of working capital loan	8b	60,000	10,000
		_____	_____
<b>Net cash (used) in investing activities</b>		(598,431)	(463,136)
		_____	_____
<b>Net increase in cash and cash equivalents</b>		155,233	912,651
<b>Cash and cash equivalents at beginning of year</b>	10	2,064,989	1,152,338
		_____	_____
<b>Cash and cash equivalents at end of year</b>	10	2,220,222	2,064,989
		_____	_____

The accompanying notes form an integral part of these financial statements

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**1. Basis of Preparation and Accounting Policies**

The financial statements of Scottish Futures Trust Investments Limited have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, International Financial Reporting Standards and IFRIC interpretations. The financial statements are presented in British Pounds since this is the functional currency of the Company.

Scottish Futures Trust Investments Limited is a Company limited by shares, incorporated and domiciled in the United Kingdom. The address of its registered office is 4<sup>th</sup> Floor, Thistle House, 91 Haymarket Terrace, Edinburgh, EH12 5HE.

The report is prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where specifically stated (for example equity and sub debt investments), current valuations of non-current assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation of this report:

**Going Concern**

On the basis of the information available to them, the directors have a reasonable expectation that the Company will continue to receive the forecast income due from its investment activities. This is based on detailed models of investments held and related income streams which are expected to generate income for a period of 20 years. Consequently, in managing this capital, the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements. As such, the directors have reviewed the sensitivities and reverse stress test to the end of March 2027 and believe SFTi will be able to continue in operation and meet its liabilities taking account of its current position and principal risks and issues, as detailed above.

**Share capital**

The ordinary share capital of SFTi is classified as equity.

**Other Reserve – Tranche 1**

This reserve is funding received from SFT which was used to fund investments.

**Other Reserve – Tranche 2**

This reserve is funding from SFT which was also used to fund investments.

## **SCOTTISH FUTURES TRUST INVESTMENTS LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS**

### **Financial Instruments**

#### ***Classification, recognition and measurement***

The Company classifies its financial assets as investments, loans and receivables. Management determines the classification of its financial assets at initial recognition.

#### ***Investments***

Equity investments are investments by SFTi in hub companies, DBFM SPV companies and limited liability partnerships. An irrevocable election has been made to recognise the fair value movements on equity investments in DBFM SPV companies through Other Comprehensive Income. Subordinated debt investments are investments by SFTi in subordinated debt loans to DBFM SPV companies. Fair value movements on subordinated debt investments are recognised through the Statement of Comprehensive Income (SOCI) within operating expenditure. SFTi has no intention of disposing of these hub investments.

Equity investments in the five hub companies and the limited liability partnerships are held at amortised cost as these investments do not generate a financial return for SFTi and therefore cost is deemed to reflect the fair value of the equity. SFTi has no intention of disposing of the hub company investments.

Investments in working capital loans are held at amortised cost.

#### ***Impairment***

The Company reviews its working capital loan to hub West, for impairment. Analysis is undertaken on expected future hub company cash flows, with a downside sensitivity scenario being applied to calculate the expected credit loss allowance.

#### ***Other Loans and Receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method.

#### ***De-recognition***

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### ***Cash and Cash Equivalents***

In the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash. SFTi does not hold any of these.

#### ***Trade and other Payables***

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if

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longer). If not, they are presented as non-current liabilities. Trade payables are recognised at cost.

**Income**

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Company's activities. The Company recognises income when the amount of income can be reliably measured, and it is probable that future economic benefits will flow to the Company.

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective rate.

**Capital Grants for investments**

Prior to 2015, SFT provided capital contributions to SFTi to fund investments. These amounts are held in Other Reserve – Tranche 1.

Post 2015, funding provided from SFT was also used to fund investments. This is treated as a capital contribution from SFT. These amounts are held in Other Reserve – Tranche 2.

**Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income.

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

**Dividends**

Dividends approved by the Board during the year are recognised within the intergroup balance if not paid by the year end.

**Change in accounting presentation of accrued income from sub-ordinate debt**

During the year the company has reclassified interest accrued during the construction period from subordinate debt investments as Investments - subordinate debt. This reclassification was made to better reflect the nature of these financial assets, as they have the same characteristics and are both held at fair value and has no impact on profit or net assets as a result. This has resulted in the restatement of the financial statements for the prior year and is summarised as follows:

**Statement of Financial Position**

	<b>Restated Company</b>	<b>Audited Company</b>
	<b>2024</b>	<b>2024</b>
<b>Non-current assets</b>	<b>£</b>	<b>£</b>
Investments - subordinated debt	19,792,226	18,249,833

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Trade and other receivables in more than one year	-	1,542,393
<b>2. New and Amended Standards Adopted by the Company</b>		

No new or amended IFRSs had a material impact on the 2024/25 financial statements.

**3. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company**

IFRS 17 replaces the previous standard on insurance contracts, IFRS 4 for the recognition, measurement, presentation, and disclosure of insurance contracts. This amendment will have no impact on the company, as it holds no insurance contracts.

**3.1 Guidance in Issue but not in Force – EU or UK Endorsed**

There is no guidance in issue but not in force that has been EU or UK Endorsed which we consider will have a material effect on the financial statements of SFTi.

**3.2 Guidance in Issue but not in Force – not EU or UK Endorsed**

There is no guidance in issue but not in force and that has not been EU or UK Endorsed which we consider will have a material effect on the financial statements of SFTi.

## SCOTTISH FUTURES TRUST INVESTMENTS LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS

### 4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Annual Report and Accounts under IFRS requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. If in the future should such estimates and assumptions deviate from actual circumstances, the original estimates and assumptions would be modified as appropriate in the year in which circumstances change.

#### 4.1 Critical Accounting Judgements

Critical accounting judgements involve decisions made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements. These judgements do not involve estimation uncertainty.

#### Fair Value Hierarchy Classification:

The Company holds equity and subordinated debt investments in a range of Special Purpose Vehicles (SPVs) to support the delivery of SFT's infrastructure programmes. In accordance with IFRS 13, the fair value of these investments is determined using the income valuation approach, which discounts future subordinated debt and equity cashflows to reflect current market expectations.

Under IFRS 13, financial instruments are categorised into the following levels of the fair value hierarchy:

- Level 1: Inputs are based on quoted market prices in active markets.
- Level 2: Inputs are based on observable data other than quoted prices.
- Level 3: Inputs are not based on observable market data (unobservable inputs).

Management has assessed that these investments should be classified as Level 3 within the IFRS 13 fair value hierarchy. This classification reflects the absence of quoted market prices or observable inputs for hub DBFM assets, as no sales of similar investments have occurred during the year. This judgement is significant to the fair value measurement of the Company's investments.

#### 4.2 Key sources of Estimation Uncertainty

Key sources of estimation uncertainty are those assumptions and estimates which carry a significant risk of resulting in material adjustments to the carrying amounts of assets or liabilities within the next financial year.

#### Subordinated debt:

Subordinated debt investments are recognised in the Statement of Financial Position at fair value with movements in fair value recognised through the operating profit in the Statement of Comprehensive Income.

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As the fair value of the investments is calculated by discounting future subordinated debt cashflows from the investments. The main drivers of the valuations are therefore:

- i) Expected future cashflows from investments; and
- ii) The discount rate applied to the cashflows.

i) Expected future cashflows are taken from operating models provided by the SPVs which indicate the latest profile of forecast investment cashflows. There is a degree of uncertainty in terms of the amount and timing of cashflows as the underlying investments are exposed to risks in some macro-economic changes, for example tax rates, and in relation to deductions that may be incurred for underperformance. The cashflows are updated by the SPVs for actual figures periodically and are reviewed by senior debt providers and as such, provide the most reliable estimate of future cashflows. SFT also appoints a Director to each of these companies providing reassurance regarding the reasonableness of the cash flow forecasts.

ii) As SFTi has not sold any of the investments in the year and there are not any quoted market prices for the sale of hub DBFM assets, judgement has to be applied to determine an appropriate discount rate. The fair value of the cashflows is measured at the reporting date by discounting the future value of the cashflows. A discount rate of 8.25% for 39 of the 41 projects has been used with the remaining two projects having their discount rates increase to 8.50% (2024: 8.25% for all projects), which reflects an assessment of the risk profile of the various projects and current market conditions. This has resulted in a loss through the operating profit in the year of £77k (2024: £168k gain). A 1% increase in the discount rate would result in a decrease in the value of the subordinated debt investments of approximately £1.5m (2024: £1.5m). A 1% decrease in the discount rate would result in an increase in the value of the subordinated debt investments of approximately £1.7m (2024: £1.7m).

**Equity:**

On transition to IFRS 9, an irrevocable election was taken to recognise the equity investments at fair value through other comprehensive income. Gains/losses are recognised through Other Comprehensive Income and the Fair value reserve.

It was deemed appropriate to apply the same 'market' discount rate to the equity investments in respect of the fair value of the investments in line with the rate used for the Subordinate Debt to reflect the assessment of the risk profile of the various concessions and current market conditions. As such a discount rate of 8.25% for 39 of the 41 projects has been used with the remaining two projects having their discount rates increase to 8.50% (2024: 8.25% for all projects). This has resulted in a gain through other comprehensive income in the year of £78k (2024: £146k gain). A 1% increase in the discount rate would result in a decrease in the value of equity investments of approximately £158k (2024: £156k). A 1% decrease in the discount rate would result in an increase in the value of equity investments of approximately £187k (2024: £185k).

It is deemed appropriate that for the purposes of the fair value of equity calculations, dividends are not recognised for the five sub-hub project companies (Forres Woodside Tain, Alford Campus, Aberdeen Community Health, James Gillespie's High School, and NHS Lanarkshire

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Health bundle) since it is noted that the decision to distribute dividends is at the discretion of the directors of the hub companies and subject to hub company reserves.

Equity held in the hub companies and housing LLPs are still held at cost as these investments do not generate a financial return for SFTi and therefore cost is deemed to reflect the fair value of the equity.

**5. Other income**

	<b>2025</b>	<b>2024</b>
	£	£
Interest income from:		
Subordinated debt (note 8c)	1,738,590	1,759,920
Working capital loan interest	1,937	2,193
Bank interest	3,917	3,487
Other income – directors' fees	19,480	18,584
Other income - dividends (from equity investments)	9,416	3,460
	<hr/>	<hr/>
	1,773,340	1,787,644
	<hr/>	<hr/>

**6. Operating expenditure**

	<b>2025</b>	<b>2024</b>
	£	£
Profit before taxation is stated after charging:		
Management fee payable to SFT	565,296	613,733
Audit fee	60,390	54,900
Bank charges & filing fees	113	74
Interest on late payment of corporation tax	475	35,875
Expected credit loss provision movement (see note 8b)	(4,800)	(2,100)
Loss/(gain) on fair value of sub debt investments	76,830	(167,738)
	<hr/>	<hr/>
	698,304	534,744
	<hr/>	<hr/>

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**7. Taxation**

	<b>2025</b>	<b>2024</b>
	£	£
Profit on ordinary activities before tax	1,075,036	1,252,900
Less: dividends not subject to tax	(9,416)	(3,460)
 Taxable profit	 1,065,620	 1,249,440
 Corporation tax charge @ 25% (2023/24: @ 25%)	 266,405	 312,360
Over provision in previous year	(126)	-
 Corporation tax charge in statement of comprehensive income	 266,279	 312,360
 Corporation tax creditor in 2025 (per above)	 266,405	 312,360
Timing differences not recognised in the above calculation	144,954	(141,737)
 Corporation tax creditor in 2025 after timing differences	 411,359	 170,623
Under provision in prior years	-	186,908
 411,359	 357,531	 357,531
 Deferred tax provision	 579,812	 438,075
Balance as at 1 April	579,812	438,075
Losses and short-term timing differences	(144,954)	141,737
 Balance at 31 March	 434,858	 579,812

Reconciliation of tax charge is made up as follows:

	<b>2025</b>	<b>2024</b>
	£	£
Over provision in previous year	(126)	-
Current tax charge for the year	266,405	312,360
Movement in deferred tax relating to IFRS 9 charges	144,954	(141,737)
Deferred tax on unutilised tax losses arising	(144,954)	141,737
 266,279	 312,360	 312,360

The corporation tax charge is in respect of the profit generated as a result of the interest on working capital loans and sub-ordinated debt plus any fair value movement on sub-ordinated debt plus other income, exceeding/falling short of the administration expenses of the Company.

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**8. Investments**

**Capital Management**

In previous years, the Scottish Government has granted SFT capital funds, which SFT has allocated to SFTi as capital contributions for investment in share capital (equity), subordinated debt in hub companies and special purpose vehicles, as well as working capital in hub companies.

**8a Investments – Share Capital (equity)**

	<b>2025</b>	<b>2024</b>
	£	£
Fair Value:		
At beginning of year	1,260,355	1,114,055
Disposals	(4)	(6)
Gain on revaluation	78,383	146,306
	<hr/>	<hr/>
At end of year (see note 8c for further details)	1,338,734	1,260,355
	<hr/>	<hr/>

SFTi invested £nil (2023/24: £nil) in housing partnership LLPs during the current year and £nil in share capital of SPVs in connection with sub debt investments (2023/24: £nil). Four Housing LLPs were disposed of during 2024/25 and SFTi resigned from no LLPs during 24/25 (2023/24: 5).

Share capital investments cannot be classified in any other category of financial asset. There is no intention to dispose of any of the existing hub investments.

**8b Investments - Working Capital Loans**

	<b>2025</b>	<b>2024</b>
	£	£
<b>Non-current assets</b>		
Cost and Net book value		
At beginning of year	62,688	120,588
Transferred to current assets	(10,000)	(60,000)
Movement in expected credit loss provision	4,800	2,100
	<hr/>	<hr/>
At end of year	57,488	62,688
	<hr/>	<hr/>

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	<b>2025</b>	<b>2024</b>
	£	£
<b>Current assets</b>		
Cost and Net book value		
At beginning of year	60,000	10,000
Repaid in the year	(60,000)	(10,000)
Transferred from non-current assets (investments)	10,000	60,000
At end of year	10,000	60,000

**Working Capital Loan - Non-Current Assets**

SFTi loaned working capital of £100,000 to hub West Scotland Limited on 27 April 2012. This working capital facility was available until 26 April 2017 but was extended, initially to 31 December 2018, then to 31 March 2022 and to 31 March 2028. The most recent extension incorporated annual repayments of £10,000 to be made on 31<sup>st</sup> March each year (commencing 31<sup>st</sup> March 2022), with the remaining sums due being repaid in full on 31 March 2028. The rate of interest applicable shall be: the interest (net of tax) received where amounts are held in the reserve account, and 2.5% p.a. on all other sums. Interest is payable annually on 31 March.

The working capital loan provided to the hubCo is held at cost and reviewed annually to establish if an expected credit loss is required. This analysis is based on a judgment of the hubCos business and the likelihood of a default on part of the working capital loan based upon a range of scenarios. As at 31 March 2025 a provision of £nil (2024: £5k) for hub West was required.

Hub South West repaid its remaining outstanding loan balance of £50,000 in the year ended 31 March 2025.

**Working Capital Loans - Current Assets**

£10,000 of the remaining working capital loan for hub West Scotland is to be repaid by 31 March 2026 and this amount has been treated as an investment current asset in the year ended 31 March 2025.

Working capital loans are held as financial assets – loans and receivables.

**8c Investments – Subordinated Debt**

	<b>2025</b>	<b>2024</b>
	£	£
<b>Fair Value:</b>		
At beginning of year	19,792,226	19,846,346
Principal repaid in year	(207,260)	(221,858)
(Loss)/gain on revaluation	(76,830)	167,738
At end of year	19,508,136	19,792,226

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During 2024/25, SFTi invested £nil (2023/24: £nil) as subordinated debt.

Further details on SFTi's investment in the subordinated debt of hub projects, including details of the principal invested, the coupon and the redemption dates can be found in the tables below, analysed by each hubco.

Investment In:	Investment Type, Interest Rate and Redemption Date	Amortised cost value 2024 Restated	Fair Value of sub debt 2024 Restated	Fair Value of Equity	Interest Receivable 2024: Restated	Interest income	Dividend Income
<b>hub North territory</b>							
Aberdeen Community Health Village Ltd	Fixed coupon unsecured loan Interest rate 10.2% Redemption date 2039	£672,322 less £13,270 principal repaid totals £659,052	2025: £770,428 2024: £778,024	2025: £33 2024: £31	2025: £Nil 2024: £Nil	2025: £67,463 2024: £68,004	2025: £Nil 2024: £Nil
hub North Scotland (FWT) Ltd (Forres/Tain/Woodside Health Centre Bundle)	Fixed coupon unsecured loan Interest rate 10.2% Redemption Date 2039	£148,418 less £37,540 principal repaid totals £110,878	2025: £128,065 2024: £131,957	2024: £32 2024: £29	2025: £Nil 2024: £Nil	2025: £11,526 2024: £12,368	2025: £Nil 2024: £Nil
hub North Scotland (Alford) Ltd	Fixed coupon unsecured loan Interest rate 10.2% Redemption date 2040	£826,397 less £134,422 principal repaid totals £691,975	2025: £804,898 2024: £835,440	2025: £28 2024: £26	2025: £Nil 2024: £Nil	2025: £72,770 2024: £74,593	2025: £Nil 2024: £Nil
hub North Scotland (Wick) Ltd	Fixed coupon unsecured loan Interest Rate 10.2% Redemption date 2042	£1,990,858 less £291,363 principal repaid totals £1,699,495	2025: £1,859,689 2024: £1,850,789	2025: £26 2024: £24	2025: £Nil 2024: £Nil	2025: £175,029 2024: £177,674	2025: £Nil 2024: £Nil

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Investment In:	Investment Type, Interest Rate and Redemption Date	Amortised cost value 2024: Restated	Fair Value of sub debt 2024: Restated	Fair Value of Equity	Interest Receivable 2024: Restated	Interest income	Dividend Income
<b>hub North territory</b>							
hub North Scotland (Anderson) Ltd	Fixed coupon unsecured loan Interest rate 10.2% Redemption date 2043	£426,176 less £40,376 principal repaid totals £385,800	2025: £458,299 2024: £462,337	2025: £17,796 2024: £20,682	2025: £Nil 2024: £Nil	2025: £39,447 2024: £39,777	2025: £Nil 2024: £Nil
hub North Scotland (Elgin High School) Ltd	Fixed coupon unsecured loan Interest rate 10.2% Redemption date 2043	£328,797 less £80,003 principal repaid totals £248,794	2025: £296,354 2024: £300,454	2025: £10,891 2024: £14,373	2025: £Nil 2024: £Nil	2025: £25,563 2024: £25,835	2025: £1,936 2024: £Nil
hub North Scotland (O & C) Ltd (Oban & Campbeltown High Schools)	Fixed coupon unsecured loan Interest rate 10.2% Redemption date 2043	£664,455 less £163,538 principal repaid totals £500,917	2025: £596,714 2024: £602,553	2025: £37,426 2024: £38,357	2025: £Nil 2024: £Nil	2025: £51,254 2024: £51,747	2025: £1,849 2024: £1,115
hub North Scotland (New Academy – South of the City)	Fixed coupon unsecured loan Interest rate 10.2% Redemption date 2043	£392,837 less £21,578 principal repaid totals £371,259	2025: £442,357 2024: £447,306	2025: £22,429 2024: £21,762	2025: £Nil 2024: £9,558	2025: £38,084 2024: £38,532	2025: £Nil 2024: £71
hub North Scotland (I & F) Ltd (Inverurie & Forresterhill Health Centres)	Fixed coupon unsecured loan Interest rate 10.2% Redemption date 2044	£193,679 less £7,592 principal repaid totals £186,087	2025: £222,658 2024: £224,605	2025: £16,460 2024: £16,584	2025: £Nil 2024: £Nil	2025: £19,039 2024: £19,215	2025: £431 2024: £588
hub North Scotland (Inverurie Campus) Ltd (Inverurie Community Campus)	Fixed coupon unsecured loan Interest rate 2.45% during construction and 10.2% during operation Redemption date 2044	£518,317 less £20,787 principal repaid totals £497,530	2025: £571,180 2024: £578,223	2025: £12,626 2024: £12,000	2025: £25,305 2024: £25,691	2025: £50,948 2024: £51,664	2025: £Nil 2024: £Nil
<b>hub North territory total</b>		<b>2025: £5,351,787</b> <b>2024: £5,422,244</b>	<b>2025: £6,150,642</b> <b>2024: £6,211,688</b>	<b>2025: £117,747</b> <b>2024: £123,868</b>	<b>2025: £25,305</b> <b>2024: £35,249</b>	<b>2025: £551,123</b> <b>2024: £559,409</b>	<b>2025: £4,216</b> <b>2024: £1,774</b>

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Investment In:	Investment Type, Interest Rate and Redemption Date	Amortised cost value 2024: Restated	Fair Value of sub debt 2024: Restated	Fair Value of Equity	Interest Receivable 2024: Restated	Interest income	Dividend Income
<b>Hub South East territory</b>							
James Gillespie's Campus Subhub Holdings Ltd	Fixed coupon unsecured loan Interest rate 10.87% Redemption date 2041	£1,638,217 less £134,600 principal repaid totals £1,503,617	2025: £1,778,537 2024: £1,812,406	2025: £10 2024: £10	2025: £81,498 2024: £82,665	2025: £163,673 2024: £165,805	2025: £Nil 2024: £Nil
REH Phase 1 Subhub Holdings Ltd <i>(Royal Edinburgh Hospital)</i>	Fixed coupon unsecured loan Interest rate 2.48% during construction and 10.75% during operation Redemption date 2042	£430,948 less £7,805 principal repaid totals £423,143	2025: £518,820 2024: £522,414	2025: £25,468 2024: £23,664	2025: £22,682 2024: £22,831	2025: £45,504 2024: £45,697	2025: £Nil 2024: £Nil
Newbattle DBFM Holdco Ltd <i>(Newbattle High School)</i>	Fixed coupon unsecured loan Interest rate 3.35% during construction and 10.5% during operation Redemption date 2043	£332,997 less £9,951 principal repaid totals £323,046	2025: £391,078 2024: £394,455	2025: £32,168 2024: £29,636	2025: £16,914 2024: £17,074	2025: £33,971 2024: £33,965	2025: £Nil 2024: £Nil
KHS DBFM Holdco Ltd <i>(Kelso High School)</i>	Fixed coupon unsecured loan Interest rate 3.35% during construction and 10.5% during operation Redemption date 2042	£217,035 less £7,579 principal repaid totals £209,456	2025: £252,805 2024: £255,079	2025: £24,767 2024: £22,378	2025: £10,966 2024: £11,071	2025: £22,031 2024: £22,183	2025: £Nil 2024: £Nil
LBP DBFM Holdco Ltd <i>(NHS Lothian Health Centre Bundle)</i>	Fixed coupon unsecured loan Interest rate 3.37% during construction and 10.45% during operation Redemption date 2042	£256,664 less £15,124 principal repaid totals £241,540	2025: £288,528 2024: £292,574	2025: £33,424 2024: £30,436	2025: £12,586 2024: £12,776	2025: £25,251 2024: £25,555	2025: £Nil 2024: £Nil

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Investment In:	Investment Type, Interest Rate and Redemption Date	Amortised cost value 2024: Restated	Fair Value of sub debt 2024: Restated	Fair Value of Equity	Interest Receivable 2024: Restated	Interest income	Dividend Income
<b>Hub South East territory</b>							
ELCH DBFM Holdco Ltd ( <i>East Lothian Community Campus</i> )	Fixed coupon unsecured loan Interest rate 2.98% during construction and 10.45% during operation Redemption date 2044	£662,618 less £6,678 principal repaid totals £655,940	2025: £796,315 2024: £801,411	2025: £72,869 2024: £66,877	2025: £34,179 2024: £34,441	2025: £68,569 2024: £68,925	2025: £Nil 2024: £Nil
WCHS DBFM Holdco Ltd ( <i>West Calder High School</i> )	Fixed coupon unsecured loan Interest rate 3.47% during construction and 10.45% during operation Redemption date 2043	£302,160 less £24,275 principal repaid totals £277,885	2025: £333,823 2024: £340,538	2025: £39,765 2024: £34,773	2025: £14,480 2024: £14,819	2025: £29,172 2024: £29,758	2025: £Nil 2024: £Nil
QHS DBFM Holdco Ltd ( <i>Queensferry High School</i> )	Fixed coupon unsecured loan Interest rate 3.49% during construction and 10.3% during operation Redemption date 2045	£374,910 less £785 principal repaid totals £374,125	2025: £436,128 2024: £437,815	2025: £18,729 2024: £17,475	2025: £19,215 2024: £19,324	2025: £38,536 2024: £38,652	2025: £Nil 2024: £Nil
JICC DBFM Holdco Ltd ( <i>Jedburgh Community Campus</i> )	Fixed coupon unsecured loan Interest rate 3.40% during construction and 10.3% during operation Redemption date 2045	£304,732 less £1,425 principal repaid totals £303,307	2025: £352,748 2024: £354,393	2025: £22,264 2024: £20,910	2025: £15,576 2024: £15,678	2025: £31,248 2024: £31,363	2025: £Nil 2024: £Nil
<b>hub South East territory total</b>		<b>2025: £4,312,059 2024: £4,336,884</b>	<b>2025: £5,148,782 2024: £5,211,085</b>	<b>2025: £269,464 2024: £246,159</b>	<b>2025: £228,096 2024: £230,679</b>	<b>2025: £457,955 2024: £461,903</b>	<b>2025: £Nil 2024: £Nil</b>

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Investment In:	Investment Type, Interest Rate and Redemption Date	Amortised cost value 2024: Restated	Fair Value of sub debt 2024: Restated	Fair Value of Equity	Interest Receivable	Interest income	Dividend Income
<b>hub South West territory</b>							
Hub SW NHSL Holdco Ltd (NHS Lanarkshire Health Centre Bundle)	Fixed coupon unsecured loan Interest rate 10.5% Redemption date 2040	£401,729 less £49,571 principal repaid totals £352,158	2025: £402,211 2024: £414,670	2025: £nil 2024: £nil	2025: £18,438 2024: £19,010	2025: £37,221 2024: £38,195	2025: £Nil 2024: £Nil
Hub SW Greenfaulds Holdco Ltd	Fixed coupon unsecured loan Interest rate 2.33% during construction and 10.5% during operation Redemption date 2041	£298,253 less £28,065 principal repaid totals £270,188	2025: £310,822 2024: £320,120	2025: £30,860 2024: £27,379	2025: £14,146 2024: £14,536	2025: £28,530 2024: £29,218	2025: £Nil 2024: £Nil
Hub SW Ayr Holdco Ltd	Fixed coupon unsecured loan Interest rate 3.78% during construction and 10.65% during operation Redemption date 2042	£506,610 less £6,322 principal repaid totals £500,288	2025: £614,464 2024: £618,134	2025: £34,976 2024: £30,742	2025: £26,567 2024: £26,737	2025: £53,287 2024: £53,480	2025: £Nil 2024: £Nil
Hub SW Dalbeattie Holdco Ltd	Fixed coupon unsecured loan Interest rate 3.62% during construction and 10.85% during operation Redemption date 2042	£224,300 less £12,351 principal repaid totals £211,949	2025: £250,147 2024: £255,884	2025: £10,401 2024: £10,260	2025: £50,035 2024: £23,781	2025: £26,254 2024: £23,780	2025: £Nil 2024: £Nil
Hub SW EALC Holdco Ltd ( <i>East Ayrshire Learning Campus</i> )	Fixed coupon unsecured loan Interest rate 3.26% during construction and 10.5% during operation Redemption date 2043	£405,468 less £21,642 principal repaid totals £383,826	2025: £462,997 2024: £469,302	2025: £63,964 2024: £58,018	2025: £20,096 2024: £20,399	2025: £40,404 2024: £40,732	2025: £Nil 2024: £Nil
Hub SW Largs Holdco Ltd	Fixed coupon unsecured loan Interest rate 3.41% during construction and 10.15% during operation Redemption date 2043	£422,510 less £19,944 principal repaid totals £402,566	2025: £475,749 2024: £481,871	2025: £63,482 2024: £57,669	2025: £20,374 2024: £20,688	2025: £41,016 2024: £41,549	2025: £Nil 2024: £Nil

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Investment In:	Investment Type, Interest Rate and Redemption Date	Amortised cost value 2024 Restated	Fair Value of sub debt 2024 Restated	Fair Value of Equity	Interest Receivable	Interest income	Dividend Income
<b>hub South West territory</b>							
Hub SW Cumbernauld Holdco Ltd	Fixed coupon unsecured loan Interest rate 3.52% during construction and 10.40% during Operation Redemption date 2044	£310,007 less £17,042 principal repaid plus £31,739 accrued interest capitalised totals £324,704	2025: £387,539 2024: £394,500	2025: £35,915 2024: £33,479	2025: £16,838 2024: £17,193	2025: £33,896 2024: £34,469	2025: £Nil 2024: £Nil
Hub SW QMA Holdco Ltd (Queen Margaret Academy)	Fixed coupon unsecured loan Interest rate 3.46% during construction and 10.45% during operation Redemption date 2044	£233,662 less £11,619 principal repaid plus £23,858 accrued capitalised interest totals £245,901	2025: £299,799 2024: £314,791	2025: £31,468 2024: £25,697	2025: £12,813 2024: £12,998	2025: £25,727 2024: £26,086	2025: £Nil 2024: £Nil
<b>hub South West territory total</b>		<b>2025: £2,691,580</b> <b>2024: £2,721,449</b>	<b>2025: £3,203,728</b> <b>2024: £3,256,272</b>	<b>2025: £271,066</b> <b>2024: £243,244</b>	<b>2025: £179,307</b> <b>2024: £155,342</b>	<b>2025: £286,334</b> <b>2024: £287,509</b>	<b>2025: £Nil</b> <b>2024: £Nil</b>

Investment In:	Investment Type, Interest Rate and Redemption Date	Amortised cost value 2024: Restated	Fair Value of sub debt 2024: Restated	Fair Value of Equity	Interest Receivable 2024: Restated	Interest income	Dividend Income
<b>hub West territory</b>							
Hub West Scotland Project Company (No.1) Ltd (Eastwood/Maryhill Health Centre Bundle)	Fixed coupon secured loan Interest rate 9.75% Redemption date 2041	£212,979 less £27,114 principal repaid totals £185,865	2025: £199,590 2024: £205,041	2025: £75,078 2024: £80,067	2025: £9,036 2024: £9,303	2025: £18,233 2024: £18,707	2025: £Nil 2024: £Nil
Hub West Scotland Project Company (No.2) Ltd (Inverclyde Care Home)	Fixed coupon unsecured loan Interest rate 9.75% Redemption date 2042	£80,239 less £6,957 principal repaid totals £73,282	2025: £78,102 2024: £80,688	2025: £19,695 2024: £19,536	2025: £7,355 2024: £3,614	2025: £7,355 2024: £7,250	2025: £Nil 2024: £1,686

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Investment In:	Investment Type, Interest Rate and Redemption Date	Amortised cost value 2024: Restated	Fair Value of sub debt 2024: Restated	Fair Value of Equity	Interest Receivable 2024: Restated	Interest income	Dividend Income
<b>hub West territory</b>							
Hub West Scotland Project Company (No.3) Ltd ( <i>Barrhead High School</i> )	Fixed coupon unsecured loan Interest rate 9.75% Redemption date 2042	£246,053 less £40,504 principal repaid totals £205,549	2025: £224,404 2024: £227,306	2025: £30,032 2024: £31,657	2025: £9,993 2024: £10,144	2025: £20,098 2024: £20,345	2025: £Nil 2024: £Nil
Hub West Scotland Project Company (No.4) Ltd ( <i>Our Lady &amp; St Patrick's High School</i> )	Fixed coupon unsecured loan Interest rate 9.75% Redemption date 2042	£264,282 less £36,481 principal repaid totals £227,801	2025: £247,378 2024: £251,085	2025: £36,891 2024: £37,799	2025: £11,075 2024: £11,266	2025: £22,283 2024: £22,608	2025: £Nil 2024: £Nil
Hub West Scotland Project Company (No.5) Ltd ( <i>Gorbals/Woodside Health Centre</i> )	Fixed coupon unsecured loan Interest rate 9.75% Redemption date 04/2017	£335,397 less principal repaid £26,019 totals £309,378	2025: £336,723 2024: £342,937	2025: £33,332 2024: £33,608	2025: £15,041 2024: £15,388	2025: £30,300 2024: £30,900	2025: £Nil 2024: £Nil
Hub West Scotland Project Company (No.6) Ltd ( <i>Blairdardie &amp; Carntyne Primary Schools</i> )	Fixed coupon unsecured loan Interest rate 9.75% Redemption date 10/2017	£171,635 less £22,326 principal repaid totals £149,309	2025: £162,018 2024: £165,677	2025: £17,293 2024: £18,015	2025: £7,259 2024: £7,446	2025: £14,641 2024: £14,970	2025: £Nil 2024: £Nil
Hub West Scotland Project Company (No.7) Ltd ( <i>Greenock &amp; Stobhill Health Centres and Clydebank Health &amp; Care Facility</i> )	Fixed coupon unsecured loan Interest rate 9.75% Redemption date 12/2018 and 12/2019 respectively	£520,821 less £107,026 principal repaid totals £413,795	2025: £451,904 2024: £460,542	2025: £94,399 2024: £90,048	2025: £20,117 2024: £20,562	2025: £40,520 2024: £41,284	2025: £Nil 2024: £Nil
<b>hub West territory total</b>		<b>2025: £1,564,979</b> <b>2024: £1,589,977</b>	<b>2025: £1,700,119</b> <b>2024: £1,733,276</b>	<b>2025: £306,720</b> <b>2024: £310,730</b>	<b>2025: £79,876</b> <b>2024: £77,723</b>	<b>2025: £153,430</b> <b>2024: £156,064</b>	<b>2025: £Nil</b> <b>2024: £1,686</b>

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Investment In:	Investment Type, Interest Rate and Redemption Date	Amortised cost value 2024: Restated	Fair Value of sub debt 2024: Restated	Fair Value of Equity	Interest Receivable	Interest income	Dividend Income
<b>hub East Central territory</b>							
Hub East Central (Levenmouth) Ltd	Fixed coupon unsecured loan Interest rate 10.2% Redemption date 2041	£1,608,000 less £350,472 principal repaid totals £1,257,528	2025: £1,453,488 2024: £1,483,804	2025: £205,074 2024: £190,143	2025: £Nil 2024: £Nil	2025: £127,443 2024: £130,447	2025: £5,200 2024: £Nil
Hub East Central Scotland (Baldragon) Ltd	Fixed coupon unsecured loan Interest rate 10% Redemption date 2042	£299,790 less £40,408 principal repaid totals £259,382	2025: £300,950 2024: £304,862	2025: £27,680 2024: £25,239	2025: £Nil 2024: £Nil	2025: £26,119 2024: £26,360	2025: £Nil 2024: £Nil
Hub East Central (Forfar) Ltd	Fixed coupon unsecured loan Interest rate 10% Redemption date 2041	£364,200 less £49,860 principal repaid totals £314,340	2025: £362,894 2024: £368,749	2025: £34,077 2024: £28,883	2025: £Nil 2024: £Nil	2025: £31,728 2024: £32,087	2025: £Nil 2024: £Nil
Hub East Central (SCV) Ltd ( <i>Stirling Care Village</i> )	Fixed coupon unsecured loan Interest rate 10% Redemption date 2044	£354,500 less £34,525 principal repaid totals £319,975	2025: £372,141 2024: £379,429	2025: £31,923 2024: £28,311	2025: £Nil 2024: £Nil	2025: £32,403 2024: £32,944	2025: £Nil 2024: £Nil
Hub East Central (PSS) Ltd ( <i>Pharmaceuticals Special Services</i> )	Fixed coupon unsecured loan Interest rate 10% Redemption date 2043	£276,200 less £38,510 principal repaid totals £237,690	2025: £276,547 2024: £281,637	2025: £27,502 2024: £22,736	2025: £Nil 2024: £Nil	2025: £24,055 2024: £24,397	2025: £Nil 2024: £Nil
Hub East Central (Bertha Park) Ltd	Fixed coupon unsecured loan Interest rate 10% Redemption date 2044	£332,500 less £13,300 principal repaid totals £319,200	2025: £369,902 2024: £385,276	2025: £32,980 2024: £28,553	2025: £Nil 2024: £16,579	2025: £32,918 2024: £33,250	2025: £Nil 2024: £Nil
Hub East Central (Angus Schools) Ltd	Fixed coupon unsecured loan Interest rate 10% Redemption date 2043	£155,500 less £9,330 principal repaid totals £146,170	2025: £168,943 2024: £176,148	2025: £14,501 2024: £12,489	2025: £Nil 2024: £10,864	2025: £15,084 2024: £15,550	2025: £Nil 2024: £Nil
<b>hub East Central territory total</b>		<b>2025: £2,854,285 2024: £2,911,396</b>	<b>2025: £3,304,865 2024: £3,379,905</b>	<b>2025: £373,737 2024: £336,354</b>	<b>2025: £Nil 2024: £27,443</b>	<b>2025: £289,750 2024: £295,035</b>	<b>2025: £5,200 2024: £Nil</b>

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**Summary totals by hub territory**

Investment In:		Amortised cost value 2024: Restated	Fair Value of sub debt (per SOFP) 2024: Restated	Fair Value of Equity (per note 8c)	Interest Receivable (per SOFP) 2024: Restated	Interest income (per SOCI)	Dividend Income
hub North territory total		2025: £5,351,787 2024: £5,422,244	2025: £6,150,642 2024: £6,211,688	2025: £117,747 2024: £123,868	2025: £25,305 2024: £35,249	2025: £551,123 2024: £559,409	2025: £4,216 2024: £1,774
hub South East territory total		2025: £4,312,059 2024: £4,336,884	2025: £5,148,782 2024: £5,211,085	2025: £269,464 2024: £246,159	2025: £228,096 2024: £230,679	2025: £457,953 2024: £461,903	2025: £Nil 2024: £Nil
hub South West territory total		2025: £2,691,580 2024: £2,721,449	2025: £3,203,728 2024: £3,256,272	2025: £271,066 2024: £243,244	2025: £179,307 2024: £155,342	2025: £286,334 2024: £287,509	2025: £Nil 2024: £Nil
hub West territory total		2025: £1,564,979 2024: £1,589,977	2025: £1,700,119 2024: £1,733,276	2025: £306,720 2024: £310,730	2025: £79,876 2024: £77,723	2025: £153,430 2024: £156,064	2025: £Nil 2024: £1,686
hub East Central territory total		2025: £2,854,285 2024: £2,911,396	2025: £3,304,865 2024: £3,379,905	2025: £373,737 2024: £336,354	2025: £Nil 2024: £27,443	2025: £289,750 2024: £295,035	2025: £5,200 2024: £Nil
<b>Grand total</b>		<b>2025: £16,774,690 2024: £16,981,950</b>	<b>2025: £19,508,136 2024: £19,792,226</b>	<b>2025: £1,338,734 2024: £1,260,355</b>	<b>2025: £512,584 2024: £526,436</b>	<b>2025: £1,738,590 2024: £1,759,920</b>	<b>2025: £9,416 2024: £3,460</b>

The majority of investments are performing according to their base cases and making returns as anticipated, however, at the year-end three projects forecast that they will be unable to repay subordinated loan notes in full by their expiry dates. This is due to the impact of the increase in inflation over the last few years and corporation tax rates. Also, there are two projects in lock up due to ongoing issues which have resulted in the noted higher discount rates. Another factor that impacts the valuation of investments through the impact on the discount rate is the underlying interest rate. The Board will continue to monitor the impact of macroeconomic changes on the portfolio.

An adjustment was made to reduce the fair value of equity for the five sub-hub project companies (Forres Woodside Tain, Alford Campus, Aberdeen Community Health, James Gillespie's High School, and NHS Lanarkshire Health bundle) to £nil at 31 March 2025. Dividends are forecast to be paid from the sub-hub companies to their relevant hub company shareholder. SFTi is a 10% shareholder in each of the hub companies, however, the decision to distribute dividends is at the discretion of the directors of the hub companies and subject to hub company reserves and therefore for the purposes of calculation the fair value of equity these have not been included.

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**9. Trade and other Receivables**

	<b>2025</b>	<b>2024</b>
	<b>Restated</b>	
	£	£
<b>Due in less than 1 year</b>		
Accrued income from sub-ordinated debt		
investments and working capital loans	512,584	526,436
Other debtors	2,428	2,357
	<hr/>	<hr/>
	515,012	528,793
	<hr/>	<hr/>

**10. Cash and Cash Equivalents**

	<b>2025</b>	<b>2024</b>
	£	£
Cash at bank	2,220,222	2,064,989
	<hr/>	<hr/>

**11. Trade and other Payables**

	<b>2025</b>	<b>2024</b>
	£	£
Other taxes and social security	405	392
Accruals	36,243	86,034
	<hr/>	<hr/>
	36,648	86,426
	<hr/>	<hr/>

**12. Capital and reserves**

	<b>2025</b>	<b>2024</b>
	£	£
<b>Share capital</b>		
Authorised, issued but not yet fully paid – 1 ordinary share of £1 each:		
As at 1 April 2024 and 31 March 2025	1	1
	<hr/>	<hr/>

The share has attached to it full voting, dividend and capital distribution (including on winding up) rights; it does not confer any rights of redemption.

**SCOTTISH FUTURES TRUST INVESTMENTS LIMITED**  
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**12. Capital and reserves (continued)**

The retained earnings reserve comprises the cumulative surpluses of the Company which represent the interest earnings net of tax and operating expenses, less the movement in the year on the fair value and other reserves, less dividends declared/paid to SFT, less transfers of unrealised gains to other reserves.

The fair value reserve comprises the IFRS 9 fair value movement of the equity investments and sub debt investments. As this unrealised gain is not distributable it has been transferred to the fair value reserve. The tax impact of the fair value movements is shown in Note 7 above.

Other Reserve – Tranche 1 is funding received by SFT pre 2015 from the Scottish Government to fund capital investments. This was provided from SFT to SFTi as a capital contribution.

Other Reserve – Tranche 2 is funding received by SFT post 2015 to fund capital investments. This was provided from SFT to SFTi as a capital contribution.

**13. Related Party Transactions**

During the year there were no salaried executive directors. No fees were paid to non-executive directors. Details of other transactions with related parties are included below:

**Scottish Futures Trust Limited**

The Company is wholly owned by Scottish Futures Trust Limited which is a company wholly owned by Scottish Ministers. Details of transactions with the Scottish Futures Trust Limited are included below.

	<b>2025</b>	<b>2024</b>
<b><u>Statement of Comprehensive Income</u></b>	<b>£</b>	<b>£</b>
<b><i>Payments made to Scottish Futures Trust Limited</i></b>		
SFT Management Fee (note 6)	565,296	613,733

**Hub South East Scotland Territory**

SFTi holds 10% of the share capital of hub South East Scotland Limited and the various special purpose project companies within this territory which are detailed in note 8c. SFT have appointed non-executive directors to hub South East Scotland Limited and the various special purpose project companies. The individuals appointed as non-executive directors do not hold financial interests in these companies.

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Details of material transactions with these companies are included below:

	2025	2024
	Restated	
<b>Statement of Financial Position</b>		
Financial assets – subordinated debt	£ 5,148,782	£ 5,211,085
Trade and other receivables – accrued interest income	228,096	230,679
Trade and other receivables – hub director fees	2,428	2,357
<b>Statement of Comprehensive Income</b>		
Other income – hub director fees	4,047	3,928
Other income – Interest income	457,953	461,903

**Hub North Scotland Territory**

SFTi holds 10% of the share capital of hub North Scotland Limited and the various special purpose project companies within this territory which are detailed in note 8c. SFT have appointed non-executive directors to hub North Scotland Limited and the various special purpose project companies. The individuals appointed as non-executive directors do not hold financial interests in these companies.

Details of material transactions with these companies are included below:

	2025	2024
	Restated	
<b>Statement of Financial Position</b>		
Financial assets – subordinated debt	£ 6,150,642	£ 6,211,688
Trade and other receivables – accrued interest income	25,305	35,249
<b>Statement of Comprehensive Income</b>		
Other income – Interest income	551,123	559,409
Other income – dividend income	4,216	1,774

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**Hub East Central Scotland Territory**

SFTi holds 10% of the share capital of hub East Central Scotland Limited and the various special purpose project companies within this territory which are detailed in note 8c. SFT have appointed non-executive directors to hub East Central Scotland Limited and the various special purpose project companies. The individuals appointed as non-executive directors do not hold financial interests in these companies.

Details of material transactions with these companies are included below:

	<b>2025</b>	<b>2024</b>
<b>Statement of Financial Position</b>	<b>£</b>	<b>£</b>
Financial assets – subordinated debt	3,304,865	3,379,905
Trade and other receivables – accrued interest income	-	27,443
<b>Statement of Comprehensive Income</b>		
Other income – Interest income	289,750	295,035
Other income – dividend income	5,200	-
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**Hub West Scotland Territory**

SFTi holds 10% of the share capital of hub West Scotland Limited and the various special purpose project companies within this territory which are detailed in note 8c. SFT have appointed non-executive directors to hub West Scotland Limited and the various special purpose project companies. The individuals appointed as non-executive directors do not hold financial interests in these companies.

Details of material transactions with these companies are included below:

	<b>2025</b>	<b>2024</b>
	<b>Restated</b>	
<b>Statement of Financial Position</b>	<b>£</b>	<b>£</b>
Financial assets – working capital loans	67,488*	72,688*
Financial assets – subordinated debt	1,700,119	1,733,276
Trade and other receivables – accrued interest income	79,876	77,723
<b>Statement of Comprehensive Income</b>		
Other income – Interest income (including working capital loan interest)	155,367	158,257
Other income – dividend income	-	1,686
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**\*Includes £nil expected credit loss provision (2024: £4,800).**

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**Hub South West Scotland Territory**

SFTi holds 10% of the share capital of hub South West Scotland Limited and the various special purpose project companies within this territory which are detailed in note 8c. SFT have appointed non-executive directors to hub South West Scotland Limited and the various special purpose project companies. The individuals appointed as non-executive directors do not hold financial interests in these companies.

Details of material transactions with these companies are included below:

	<b>2025</b>	<b>2024</b>
<b>Statement of Financial Position</b>	<b>£</b>	<b>£</b>
Financial assets – working capital loans	-	50,000
Financial assets – subordinated debt	3,203,728	3,256,272
Trade and other receivables – accrued interest income (including capital loan note interest)	179,307	155,342
<b>Statement of Comprehensive Income</b>		
Other income – hub director fees	15,433	14,656
Other income – Interest income	286,334	287,509
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**The Edinburgh Homes Delivery Partnership**

The Edinburgh Homes Delivery Partnership is a joint venture between City of Edinburgh Council and SFTi to create two LLPs for the delivery of mid-market and market rent accommodation. SFTi is represented on the Board of Members and Board of Management but does not have joint control or significant influence over either joint venture.

**The East Lothian Housing Delivery Partnership**

The East Lothian Housing Delivery Partnership is a joint venture between East Lothian Council and SFTi to create an LLP for the delivery of mid-market accommodation. SFTi is represented on the Board of Members and Board of Management but does not have joint control or significant influence over the joint venture.

**NHT LLPs**

NHT LLPs are formed of either: a developer, a participating local authority and SFTi; or of a participating local authority and SFTi – for the delivery and operation of mid-market rent accommodation under the National Housing Trust (NHT) programme delivered with Scottish Government. The programme is operationally time-bound and all LLPs eventually conclude their programme activity. As at 31 March 2025, 6 NHT LLPs remain, with one of these dormant and no longer owning homes and two preparing to be put into voluntary member liquidation. Of the remainder, three operate the homes within the programme as at 31 March 2025. SFTi is represented on the Board of Members and Board of Management of each NHT LLP but does not have joint control or significant influence over any.

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### Hub Community Foundation

The Hub Community Foundation was incorporated as a Scottish Charitable Incorporated Organisations (“SCIO”) on 10 December 2015 to assist in the delivery of community benefits through the hub programme and to provide finance to specific projects delivered by the hub programme. SFTi has the right to appoint a Partner Trustee to the organisation who is one of five Trustees – three being Independent Trustees and one Trustee representing the Private Sector Development Partners. A Senior Associate Director of SFT is currently SFTi’s nominated Trustee. There were no financial transactions between SFTi and Hub Community Foundation.

### 14. Financial Instruments

The Company’s financial instruments comprise of cash resources which arise directly from its operations and subordinated debt issued to hub companies, special purpose vehicles and a working capital loan made to a hub company. The Company has not entered into derivatives transactions. Each of the main risk exposures related to financial instruments are considered below.

**Interest rate risk** - The Company has no borrowings subject to interest rates and a comparatively small amount of cash on deposit. Interest rates in respect of subordinated debt investment and working capital loans are fixed. Exposure to interest rate risk on Company income and costs is therefore limited, however, underlying interest rates do have an impact on the discount rate applied to calculate the fair value of investments.

**Credit Risk** - The Company does not have a significant concentration of credit risk. Bank deposits are held with major national banks and the principal customer is the Scottish Government.

**Liquidity Risk** - The Company operates within a budget agreed with the Scottish Government and as such liquidity is not seen as a major risk area. Interest rates in respect of subordinated debt investment and working capital loans are fixed.

**Fair value of financial assets and liabilities** – There is a significant difference between the book value and fair value of the Company’s financial assets and liabilities for equity investments and sub debt investments in hub projects, whose fair value is estimated to be £19.5m as at 31 March 2025 (Restated £19.8m as at 31 March 2024), as disclosed in Note 8a and 8c. The only financial asset not held at fair value is the working capital loan of £68k (£123k as at 31 March 2024) which is held at amortised cost.

### 15. Ultimate Controlling Party

The Company is wholly owned by Scottish Futures Trust Limited which is a company wholly-owned by the Scottish Ministers.

### 16. Post Balance Sheet events

Scottish Government announced on 7 May 2025 the appointment of two new non-executive directors to the Boards of Scottish Futures Trust and Scottish Futures Trust Investments with effect from 1 May 2025.

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**OFFICERS AND PROFESSIONAL ADVISORS**

**Directors**

Joseph E Philipsz (Chairman - appointed 11 April 2024)  
Peter C M Reekie (Executive Director)  
Pauline I F Mills (Non-Executive Director)  
Stella Matko (Non-Executive Director)  
Nicholas M Rowan (Non-Executive Director)  
Stephen J Slessor (Non-Executive Director)  
Alistair G Brown (Non-Executive Director - appointed 1 May 2025)  
Thomas M Dickson (Non-Executive Director - appointed 1 May 2025)

**Chief Executive**

Peter Reekie

**Registered Office & Principal Place of Business**

4<sup>th</sup> Floor  
Thistle House  
91 Haymarket Terrace  
Edinburgh  
EH12 5HE

**Registered Company number**

SC381388

**Auditor**

Grant Thornton UK LLP  
7 Castle Street  
Edinburgh  
EH2 3AH

**Bankers**

The Royal Bank of Scotland plc  
36 St Andrews Square  
Edinburgh  
EH2 2YB

**Website**

[www.scottishfuturestrust.org.uk](http://www.scottishfuturestrust.org.uk)