CALEDONIA
INVESTMENTS
Time Well Invested

Annual Report 2025

Year ended 31 March 2025

CALEDONIA INVESTMENTS
Time Well Invested

The images displayed throughout the annual report are a selection of the following:

Charities supported by The Caledonia Investments Charitable Foundation

The Caledonia office and artefacts on display from the Cayzer Family archive

Employees of Caledonia, either in the central London office or on an offsite strategy day

Images relating to Caledonia portfolio companies

Welcome to Caledonia

Caledonia is a FTSE 250 self-managed investment trust company with a long track record of delivering consistent returns and progressive annual dividend payments to shareholders.

Our aim is to generate long-term compounding real returns that outperform inflation by 3%-6% over the medium to long term, and the FTSE All-Share index over 10 years.

Performance

"Caledonia has delivered another year of positive performance, with our long-term, disciplined investment approach continuing to prove its strength within a macroeconomic and geopolitical backdrop that remains highly volatile. All three of our investment pools contributed to growth, demonstrating the resilience and quality of our diversified portfolio.

The performance has further extended our track record of delivering consistent real returns for shareholders, alongside 58 years of consecutive dividend growth. The uncertain operating environment currently shows little sign of easing, but our focus remains on allocating capital prudently, investing in high-quality companies and fund managers with track records of success, and continuing to position Caledonia to compound value for our shareholders over the long term."

Mat Masters
Chief Executive Officer

Highlights

£2.9bn
Net asset value (NAV)
(31 March 2024: £3.0bn)

3.3%
NAV per share total return[1]
(31 March 2024: 7.4%)

73.6p
Dividend per share
(31 March 2024: 70.4p)

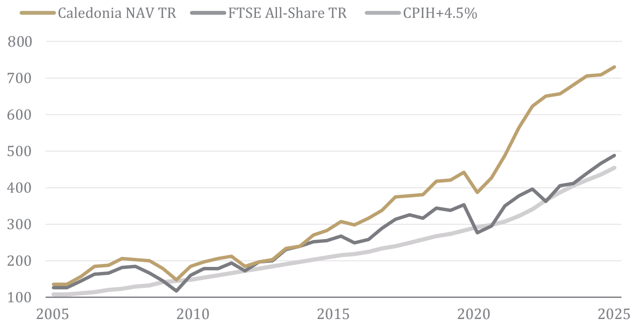
4.5%
Dividend growth
(31 March 2024: 4.5%)

3,540p
Share price
(31 March 2024: 3,280p)

10.2%
Total shareholder return[1]
(31 March 2024: -1.2%)

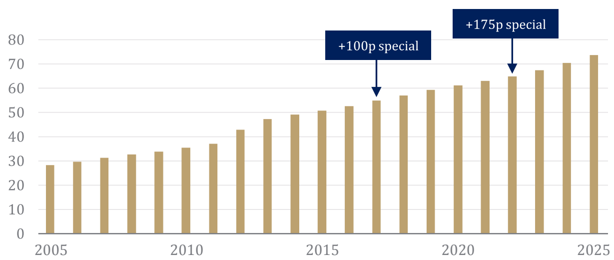
Strong consistent long-term NAV growth

NAV total return growth since 2005



58 consecutive years of dividend increases

Annual dividend / share (p)



1. Alternative Performance Measure APM – see page 159 for details.

At a glance

Time well invested

We are investors, not traders, driven by fundamentals, not trends. We think in decades, not quarters and invest time to make confident, well-balanced compounding investments and build rewarding partnerships.

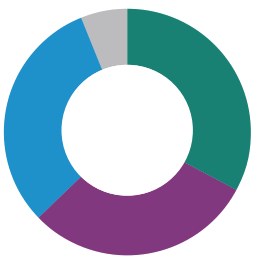
A history that dates back to the late 1800s...

Caledonia traces its history back to the Cayzer family's shipping business, founded in the late 1800s. Towards the end of the boom in shipping, Caledonia was converted into a broader investment holding company, and later to an investment trust. The Cayzer family remain supportive shareholders and the family's long-term investment approach underpins how Caledonia is run today.

To today – a long track record of delivering consistent returns and progressive annual dividend payments

With net assets of £2.9bn, Caledonia holds investments in both listed and private markets across three pools: Public Companies, Private Capital and Funds. Each has a strategic allocation of capital, investment strategy and target return. The result is a well-balanced diversified portfolio of investments with a global reach.

NAV



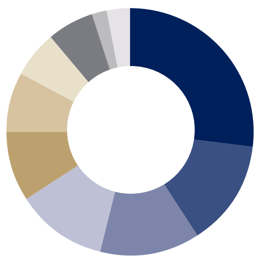
Public Companies	33%
Private Capital	30%
Funds	31%
Cash and other	6%

Geography[1]

North America	45%
UK & Channel Islands	35%
Asia	11%
Europe	9%

1. Headquartered

Sector



Industrials[2]	27%
Consumer discretionary	14%
Financials	13%
Information technology	12%
Funds of funds	9%
Healthcare	8%
Materials	6%
Consumer staples	6%
Communication services	2%
Other sectors	3%

2. Includes AIR-serv Europe, DTM and Cooke Optics

At a glance (continued)

What differentiates us

Our expert team

Our team has deep knowledge of the companies and sectors in which we invest. Our culture is centred around a collection of values that shape our approach to every aspect of investing: insightful, supportive, responsible, considered and long-term.

We are long-term investors

Our evergreen balance sheet underpins our investment philosophy. We buy to hold, investing in high-quality companies with strong market positions and fundamentals, alongside investments in funds with track records of success.

Our investment process

We build rewarding relationships and a deep understanding of our investments that aligns with our risk appetite, with ESG factors embedded.

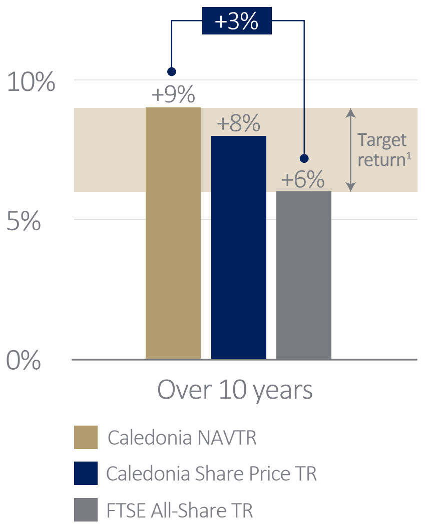
Wholly aligned with shareholders

As a self-managed vehicle, we invest from the balance sheet, ensuring our interests are wholly aligned with our shareholders.

With an investment approach and purpose grounded in Time Well Invested

Our history, structure and culture underpins our long-term approach to investment and is captured in our manifesto, which underpins our focus on generating long-term compounding real returns that outperform inflation by 3%-6% over the medium to long-term, and the FTSE All-Share over 10 years.

Annualised performance



1. Target return is CPIH plus 3% to 6%. CPIH over the last 10 years was 3%. CPIH is Consumer Prices Index including owner occupiers' housing costs

CALEDONIA
INVESTMENTS
Time Well Invested

Our manifesto

We believe in the power of time.
While others fight against it,
Trying to conquer every passing minute,
We work with it.
We invest it patiently and judiciously,
Harnessing its power year after year.
Never afraid to wait, but always ready to act.
Time is key to our knowledge, the trust we're given,
And the relationships we build
It is the source of our enduring partnerships,
Carefully tended over decades.
Never fleeting, always meaningful
We dedicate time to our people:
Giving it generously to nurture their growth,
Both personal and professional.
We invest time now to plan for success in the future,
To sow seeds that will flourish for generations to come.
Time cannot be tamed or altered,
But its power can be harnessed,
Invested in the things that matter most,
To create something that lasts.

At a glance (continued)

Public Companies

Investing in high quality quoted businesses where long term ownership will be rewarded.

Strategic allocation
30%-40%
of net assets

Actual
33%
of net assets

£965m of NAV
30 companies

Our Public Companies team believe, over the long term, performance of the portfolio is primarily driven by the operational performance of the underlying companies. Underpinned by Caledonia's evergreen balance sheet, the team targets companies that are built on solid foundations that will continue to provide compounding returns for shareholders over time.

The global portfolio is managed by one investment team across two strategies, with the same quality criteria, research methodology and operational discipline. Each portfolio generally holds between 15 and 20 companies, with a small number of companies held in both portfolios.

The companies in our Public Companies pool typically have similar characteristics, including:

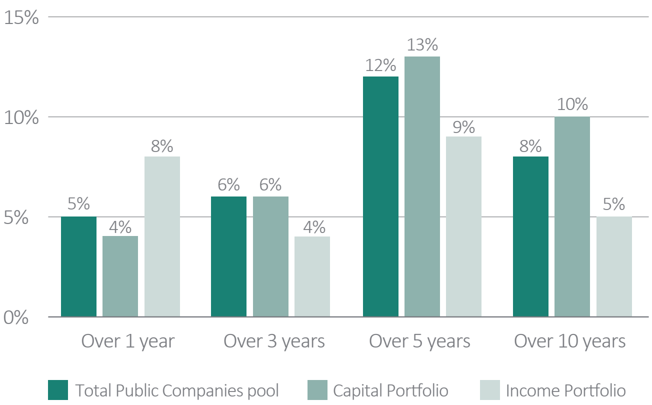
Strong market position

Underlying growth and pricing power

Profitable with good and sustainable returns on capital

Capable management closely aligned with long-term investors

Annualised performance – total return



Capital portfolio

10% p.a.
Total return target

Unconstrained investments in well-managed companies, held for the long term. We look to select publicly quoted businesses with a number of quality characteristics including pricing power, strong returns on capital and a long reinvestment and growth runway. Our objective is to deliver a 10% annual return.

Income portfolio

7% p.a.
Total return target

We invest selectively in mature, well managed, long-term businesses with resilient business models, and the capacity and management culture to pay sustainable dividends. Our objective is to deliver a 7% annual return, with an initial yield of 3.5% based on the cost of investment.

Further detail
Turn to page 28

Case study

A leading North American distributor of wide-ranging industrial and construction products, partnering with organisations to simplify and secure supply chains for a vast range of industrial products.

£22m Weighted average cost	2020 Date of initial investment	£43m Valuation at 31 March 25
23% p.a. Total return since initial investment (£)	$44bn Market capitalisation	Distribution Sector

Original investment thesis

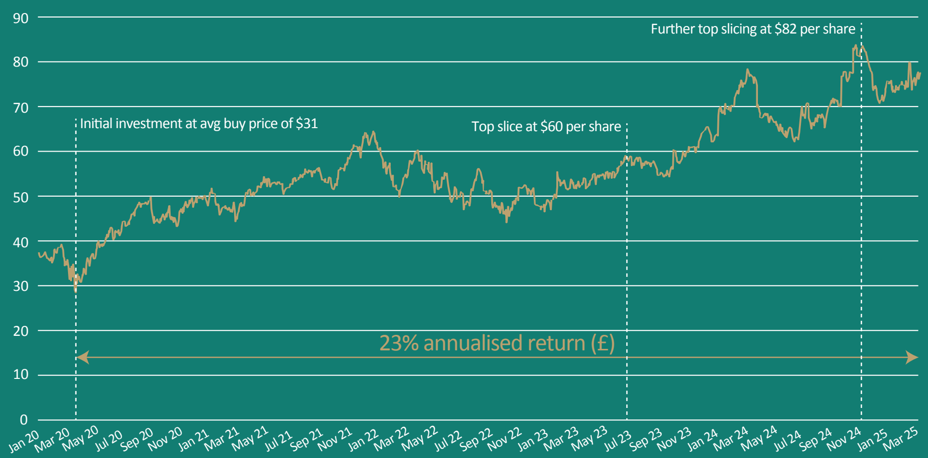
Well-run supply chain distribution business with a strong long term track record

- Outsourced supply chain management
- De-centralised business
- Cost and customer focused culture
- Strong balance sheet

The Public Companies team identified Fastenal as a potential investment in 2017 and then followed the company until March 2020 when the team took advantage of market conditions relating to the Covid-19 pandemic to make an investment. Since this investment, the business has grown revenues from $5.3bn to $7.5bn[1], a CAGR of 7.2%, reporting an EBIT growth of 7.4% over the same period and a margin of 20.0% in 2024. Over the same period, the share price has more than doubled, reporting an annualised total return of 23%, including dividends.

1. FY 2019 to FY 2024

Share price US$



At a glance (continued)

Private Capital

Direct investments in a small number of high quality companies, predominantly in the UK mid-market.

Strategic allocation
25%-35%
of net assets

Actual
30%
of net assets

£871m of NAV
8 companies

Our Private Capital team has a "buy-to-own" investment philosophy. Unlike typical private equity investors, the team, as balance sheet investors, are under no pressure to invest or divest. This freedom allows them to be highly selective and only focus on the best opportunities. They work closely with companies, providing operational and strategic support along with long-term capital to drive growth. The team exits the company when the time is right to maximise value for shareholders.

The companies in our Private Capital pool typically have similar characteristics, including:

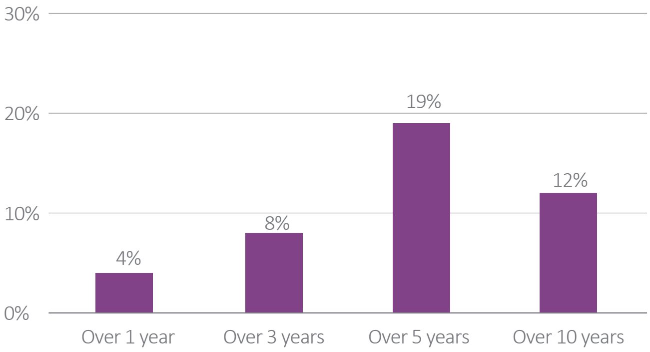
Well-established businesses with strong market positions and a sustainable competitive advantage

Strong and experienced management teams

Profitable and cash generative with multiple levers for growth

Prudent capital structures

Annualised performance – total return



14% p.a.
Total return target

We target a total return of 14% p.a. with a 2.5% yield on cost, across a portfolio of up to 10 predominantly UK headquartered mid-market private companies. We typically invest in companies that have an enterprise value of £75 million to £250 million.

17%[1]
IRR on realised investments

£1.1bn of proceeds generated on investments made since 2012, at a 1.8x multiple of cost.

1. From investments made since 2012

Further detail
Turn to page 32

Case study

The UK's leading independent tyre management provider of outsourced tyre management services to fleet operators, with a differentiated, customer centric, service proposition.

£55m Cost	**2024** Date of initial investment
£55m Valuation at 31 March 2025 (at cost)	**Industrials** Sector

Why we like DTM

- **Strong market presence** – national service provider network
- **Market leading proposition** – low churn in existing customer base
- **Impressive long term track record** – c.15% CAGR in revenues over the last 15 years
- **Technology enabled solutions** – scalable proprietary digital platform
- **Multiple levers for growth** – organic wins, performance efficiencies, adjacent services/geographies
- **High calibre management team** – experienced industry operators who are excited to grow the business
- **Technology led, environmentally considerate tyre management** – 100% of used tyres fitted by DTM recycled or reused – no waste to landfill

Headquartered in Blackpool, DTM has over 100 employees and serves c.250 fleet customers with c.285,000 vehicles and c.1.3m tyres under management. Enabled by a proprietary technology platform, which allows customers to maximise their fleet efficiency, compliance and output, DTM connects the vehicles it manages to a national network of over 3,500 service provider locations.

Caledonia acquired a majority stake in the business, investing alongside management, in August 2024, with Caledonia's differentiated offering playing a key part in securing the transaction. Since the acquisition, the Caledonia team has worked with the management team to support DTM's value creation plan and supported the appointment of a new non-executive Chairman, Chief Revenue Officer and Director of Network Services. The business continues to perform well with some notable recent sales wins.

Watch the video
www.caledonia.com

At a glance (continued)

Funds

Investing in funds managed by leading managers in North America and Asia.

Strategic allocation	Actual
25%-35% of net assets	31% of net assets

£897m of NAV 80 funds
45 managers 600+ companies

Our Funds team seek to partner with some of the world's most talented managers in long and profitable relationships. The team focus on regions that are the engines of well-proven global growth, namely North America and Asia, providing a counterbalance to our quoted equity and UK-centric Private Capital investments. The team build relationships that typically span multiple fund vintages and often take advisory board positions for deeper insight.

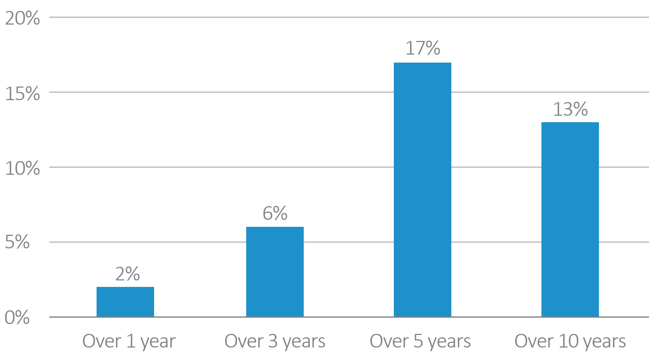
The qualities that the Funds team focus on are:

- **Successful track record**
- **Stable team**
- **Expertise in driving value through cycles**
- **Alignment of interest**

12.5% p.a.
Total return target

We seek diversified fund holdings in private companies that provide long-term and consistent returns in North America and Asia.

Annualised performance – total return



Further detail
Turn to page 36

North America fund investments

63% of pool NAV

- buyout, lower mid-market. Focus on small to medium sized, often owner-managed, established businesses.
- usually first institutional investment and will support their professionalisation and growth, both organically and through M&A activity.

Asia fund investments

37% of pool NAV

- focus on venture, growth and buyout investments in non-cyclical, new economy sectors such as healthcare and technology, which are well placed to benefit from wider demographic trends.
- investing into businesses in the early years of significant growth, having successfully developed their business model. Whilst focused on local markets, a small number, particularly those with a healthcare focus, also invest into the US.

Case study

DECHENG CAPITAL

Founded in 2012, De Cheng Capital is a leading investor in the life science and healthcare sectors, with deep commercial and scientific expertise within the two largest healthcare markets in the world; US and China. De Cheng focuses on providing capital and strategic support to early-stage life science companies with revolutionary technologies and growth stage healthcare companies with strong market presence. It is a preferred partner for entrepreneurs, world-class scientists and strategic partners, and its extensive market knowledge allows it to capitalise on the rapid growth of the Chinese healthcare industry, as well as breakthroughs in life science research, typically found in the US.

Target company criteria

Data driven

Strong management teams with proven track records

Clear value proposition to potential acquirers

Portfolio company snapshot

Alpine Immune Sciences – seeking to create first or best-in-class multifunctional immunotherapies via unique protein engineering technologies to improve patients' lives. De Cheng led, co-led and participated in three PIPE investments in the business between 2019 to 2022. Alpine Immune Sciences was acquired by Vertex in 2024 for $4.9bn, generating an 8.2x gross money multiple on cost.

Caledonia's commitment

De Cheng manages $2.1bn of capital across five funds. Caledonia first identified De Cheng soon after its launch in 2012, and made its first commitment to De Cheng II in 2016. Caledonia has since invested in all of De Cheng's subsequent funds.

Fund name	De Cheng II	De Cheng III	De Cheng IV	De Cheng V
Vintage year	2016	2018	2021	2024
Fund size	$303m	$470m	$673m	$700m[1]
Caledonia's commitment	$12.0m	$18.0m	$15.0m	$20.0m

1. Target Fund Size

Through our extensive network of contacts, we identify and select companies with strong fundamentals and great potential. We maintain effective and constructive relationships with the people, companies and funds in which we invest.

Insightful & supportive

The Outward Bound Trust
The Caledonia Investments Charitable Foundation supported The Outward Bound Trust whose mission is to inspire young people to believe they can achieve more than they ever thought possible through their wild adventures. Their funding helps break down barriers and unlock opportunities for those who need it most.

Strategic report

Chair's statement

David Stewart
Chair

All three of our investment pools contributed to growth in the year.

Results

I am pleased to report another year of positive performance at Caledonia, with NAVTR of 3.3%. This has further extended our track record of generating long-term real returns, outperforming inflation by 5.8% p.a. over the last decade, at the top end of our medium to long term goal. Our portfolio delivered a 3.5% return against an increasingly uncertain macroeconomic and geopolitical backdrop. All three of our investment pools contributed to growth in the year.

Income and dividend

Investment and other income[1] decreased from £62.7m to £53.6m[2] and total net revenue was £30.9m[3]. As reported in previous years, we expect a gradual reduction in investment income as we maintain our focus on total returns and, over time, we anticipate that net distributions from our fund investments will play a more material role in dividend cover. The Funds pool generated a net cash inflow of £43.8m which, together with net revenue, was sufficient to cover our proposed annual dividend.

The board is recommending a final dividend of 53.91p per share for the year ended 31 March 2025 which, if approved by shareholders, will be payable on 7 August 2025 to ordinary shareholders on the register on 27 June 2025. This represents a full-year dividend of 73.6p per share, an increase of 4.5% when compared to the previous year, and 58 consecutive years of increased annual dividends.

We remain committed to our progressive dividend policy which aims to increase annual dividends by at least the rate of inflation over the long term. The board intends to increase future interim dividends to 50% of the prior year's total annual dividend, commencing later this year. This will ensure a more balanced dividend profile than has been paid historically and provide a more predictable income stream to our shareholders.

Share split

The board is recommending a 10:1 share split which, if approved by shareholders at the forthcoming annual general meeting, is planned for implementation on or after 17 July 2025. This will reduce the nominal value of ordinary shares from 5p to 0.5p and is expected to improve accessibility for a wider range of shareholders.

1. Revenue account.
2. Including the benefit of £9m of revenue from non-consolidated subsidiaries.
3. Alternative Performance Measure.

Share buybacks and general meeting

The Cayzer family concert party (the 'Concert Party') is a long-term shareholder and the source of Caledonia's strong culture and long-term outlook. Share buybacks increase the percentage of voting rights held by the Concert Party. Previously, in circumstances where the Concert Party owned more than 30% but less than 50% of the shares, any increase in the percentage of shares it owned could have triggered an obligation on the Concert Party to make a mandatory offer for the company under Rule 9 of The City Code on Takeovers and Mergers (the 'Code'). Independent shareholders were therefore asked each year to renew a waiver of these mandatory offer provisions such that they would not be triggered provided that the Concert Party's percentage holding in the company did not exceed 49.9%.

This cap on the Concert Party's holding was constraining the company's ability to buy back any further shares. During the year the board carefully considered the possibility of taking steps to remove the 49.9% cap and to seek approval for further buybacks which could result in the Concert Party's interest in the company's voting rights increasing beyond 50%. I was pleased to take part in meetings with independent shareholders to discuss this.

Two resolutions were proposed at a general meeting held on 18 December 2024. The first resolution refreshed the authority to make market purchases of ordinary shares. The second resolution sought approval of an uncapped waiver of any requirement on the Concert Party to make an offer for the company under the Code's mandatory offer provisions due to share buybacks. The board is pleased that both resolutions were duly passed, giving the company flexibility to buy back its shares in the future. In considering whether to do this, the board will continue to take into account the liquidity of the company's shares, its ongoing investment strategy and the level of any discount at which the shares are trading in the market relative to NAV per share.

Since the general meeting, the Concert Party's percentage holding in the company has increased to over 50%. As at 19 May 2025, the Concert Party holding was 50.4%.

Chairing the board

The board has asked that I extend my tenure for one final year, until no longer than the annual general meeting in 2026. This is subject to my re-election being approved by shareholders in July.

Annual general meeting

Each year I, together with my board colleagues, very much welcome the opportunity to meet with shareholders in person at our annual general meeting which once again takes place in London on 16 July 2025.

Outlook

As Mat outlines in his report, the unstable macroeconomic and geopolitical backdrop is likely to continue, causing a degree of uncertainty across the portfolio. However, Caledonia's investment strategy takes a long-term view. We have a diversified portfolio of high quality, well managed and profitable companies alongside investments in funds with track records of success. We continue to focus on the quality and resilience of each investment. While Caledonia is a long-term investor, an active approach to portfolio management enables us to take advantage of opportunities as they arise.

David Stewart
Chair
19 May 2025

Chief Executive Officer's report

Mat Masters
Chief Executive Officer

Our performance has been delivered against a background of increasing macroeconomic and geopolitical uncertainty, underlining the strength of our investment strategy.

3.3%

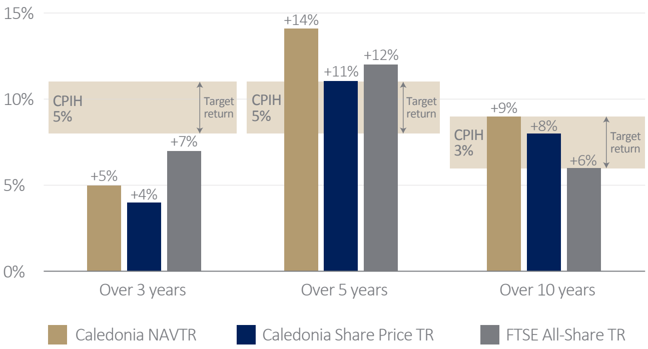
NAV total return

Caledonia's long term investment approach of 'Time Well Invested', making thoughtful compounding investments, has underpinned another year of positive performance, with NAVTR of 3.3%. This performance continues to build on our track record of delivering long term real returns, outperforming both inflation and the FTSE All-Share total return over the past decade. Alongside this, we have increased dividends paid to shareholders for 58 consecutive years.

We have delivered this performance against an increasingly uncertain macroeconomic and geopolitical backdrop, demonstrating the strength and resilience of our diversified, global portfolio of quality companies and funds, with all investment pools contributing to growth in the year.

In particular, in the latter part of our financial year, changes in US trade policy introduced significant uncertainty into the global economic outlook. Market volatility rose significantly in March as investors assessed the potential implications of higher tariffs and escalating US-China trade tensions on global growth, productivity and inflation. This volatility, along with recent elevated levels of inflation, has reduced short-term real returns. We believe our focus on investing in high quality, well managed companies, as well as fund managers with track records of success, positions us well to navigate the current uncertainty.

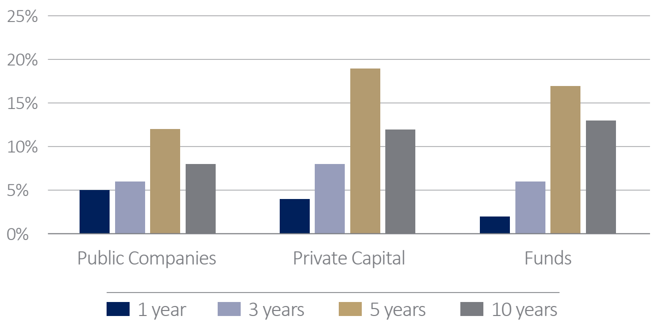
Annualised performance



Performance highlights

We invest across private and public markets. Overall the portfolio generated a return of 3.5% in the year. This included adverse foreign exchange movements which negatively impacted returns by 1.4%.

Annualised investment pool returns



Our Public Companies pool is invested in high-quality, well-managed businesses with strong market positions and pricing power. The global portfolio is split between capital and income investments, with the latter providing an important contribution to cover our cost base and dividend. Performance was affected by the market volatility nearing the end of the year. Despite this, the pool delivered a 4.7% return in the year.

Within Private Capital, we acquired Direct Tyre Management ('DTM'), adding another excellent business to our portfolio of directly held private assets. DTM is the UK's leading provider of outsourced tyre management services - a fantastic technology led solution enabling its customers to maximise fleet efficiency. Both Stonehage Fleming and AIR-serv Europe continued to report a strong performance, resulting in an increase in their valuations. This has been partially offset by a decline in the valuation of Cooke Optics. As previously reported, following the Hollywood strikes in 2023, demand for Cooke's products has taken longer than we anticipated to recover. As a result we have reflected a more conservative outcome in our valuation of the business. Overall, Private Capital reported a return of 3.7%.

Our Funds pool delivered a net positive cashflow of £44m following a subdued prior financial year. Our North America portfolio delivered an 8.4% return in local currency, with gains being driven by strong underlying operating performance and realisation activity. Our Asia portfolio return was -1.6% in local currency, which reflects the more challenging market conditions in the region. Taken together and including the negative impact of foreign exchange movements, our Funds pool produced a return of 2.2% in the year.

Liquidity and balance sheet

A strong financial position is core to Caledonia's strategy. We ended the year with net cash of £151m which, alongside our £325m revolving credit facility, provides significant liquidity to invest in attractive opportunities as they arise.

Shareholder returns

Broader market volatility and sentiment towards investment companies continue to weigh on ratings across the sector, and in particular those investment companies that invest in private assets, many of which continue to trade at significant discounts to net asset value.

Caledonia's share price increased by 10.2% on a total return basis over the year, with the discount narrowing from 39% to 35%. Despite this reduction in discount, we believe the share price continues to fundamentally undervalue the quality of our portfolio and our long-term track record.

Alongside continuing to deliver long-term compounding returns, addressing the discount remains a priority for the board and management team; it is important for shareholders to capture more fully the long-term increase in net asset value per share. There is no single solution to narrowing the discount. During the year we have focused much of our efforts on improving our investor relations and communications activities including launching a series of events profiling each of our investment pools and our differentiated approach. The first of these, the Private Capital Spotlight, was held in January and we will host a similar spotlight for our Public Companies pool in June 2025.

As covered in the Chair's statement, alongside improving communication, we also increased our ability to repurchase shares, which is highly accretive to NAV per share. We are announcing today two further initiatives: a 10:1 share split which we hope will make our shares more accessible to a wider range of investors and a change to our dividend payment profile. A reliable source of income is important to our shareholders and our progressive dividend policy aims to increase annual dividends by at least the rate of inflation over the long term.

Chief Executive Officer's report (continued)

People

Our employees remain our greatest asset and we are committed to fostering an environment that enables us to attract, retain and nurture exceptional people. This year, we have continued to strengthen the team across a number of functions, promoting internal talent and bringing in new expertise. I would like to thank my colleagues for their unwavering enthusiasm and dedication, which drives the success of our business.

Caledonia's long-term ethos and culture focused on 'Time Well Invested' is central to our working environment. During the year, we completed our second anonymised employee engagement survey and are delighted to have received a 92% response rate with 96% of responders recommending Caledonia as a 'great place to work'. We benchmark our analysis against businesses within the UK's financial services sector and are pleased that Caledonia is represented in the top quartile for both participation rates and engagement scores.

→ **Further information on our people and culture can be found in our Sustainability section**
Turn to pages 57-62

Our approach to responsible investment

As we highlight in the Sustainability section, we have further developed our approach to responsible investment. During the year, through our working group, we have strengthened our investment processes and continue to consider the issues associated with climate change and its potential impact on our business and portfolio. This year, for the first time, we are disclosing emissions for our Private Capital pool. Our third Taskforce on Climate-related Financial Disclosures report will be published alongside this annual report.

→ **Further details on our activities in this area are provided within the Sustainability section**
Turn to pages 52-56

Looking forward

We believe our diversified, global portfolio is well positioned to weather the uncertainties of the current market. We invest in businesses with strong market positions and fundamentals. We have a diversified portfolio of high quality, well managed and profitable companies. This strategy has delivered compounding real returns. Central to our success is a long term perspective underpinned by our robust evergreen balance sheet. These strengths enable us to look through shorter term volatility and take advantage of the long term opportunities arising from market disruptions.

Mat Masters
Chief Executive Officer
19 May 2025

The Strategic report includes the Section 172 statement, which sets out further detail of our stakeholders, on pages 80 to 85

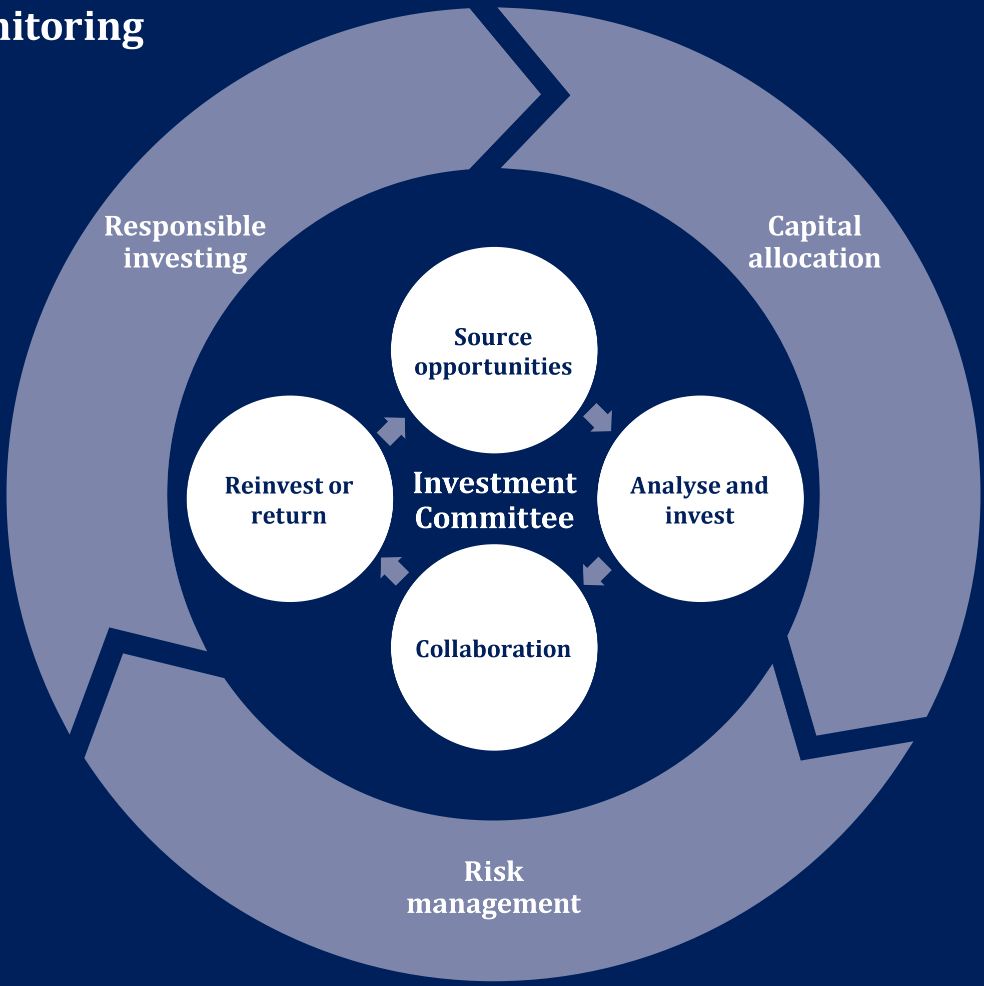
How we create value

We invest in proven, well-managed businesses that combine long-term growth characteristics with an ability to deliver increasing levels of income. We are a self-managed investment trust, and capitalise on our resources and relationships to identify opportunities, to deliver long-term capital growth and dividends for our shareholders.

Investment and monitoring

Key enablers of value

- expert team
- long term
- evergreen balance sheet
- investment process
- careful portfolio construction and risk mitigation
- reputation and network



Expert team

Our team has deep knowledge of the companies and sectors in which we invest. Our culture is centred around a collection of values that shape our approach to every aspect of investing: insightful, supportive, responsible, considered and long-term.

Long term

We buy to hold, investing in high-quality companies with strong market positions and fundamentals alongside investments in funds with track records of success.

Evergreen balance sheet

Our long term approach is underpinned by our evergreen balance sheet, which provides us with flexibility to invest in both private equity and quoted opportunities over longer timeframes (+10 year), and significantly reduces our investment cycle risk. We invest solely from the balance sheet and have no permanent corporate debt. We aim to maintain sufficient cash, liquid assets and committed facilities to cover our liabilities and commitments as they fall due.

Our investment process is tailored to the nature and risk of each investment pool. All investments are approved by the central Investment Committee with board approval required for investments and disposals over a defined threshold.

Investment pools

Public Companies

Target return
10.0% p.a. Capital portfolio
7.0% p.a. Income portfolio

Further information
Turn to page 28

Private Capital

Target return
14.0% p.a.

Further information
Turn to page 32

Funds

Target return
12.5% p.a.

Further information
Turn to page 36

Who benefits

Our shareholders
Our shareholders provide Caledonia's permanent capital and it is for their benefit that the directors are required to promote the company's success

Our people
Our employees are our most important asset and we invest time to foster their professional development and wellbeing

Our portfolio companies and funds
We build rewarding relationships and a deep understanding of our investments

Suppliers
We build and value long-term relationships

Community
Through our foundation, we have an ongoing commitment to the wider community

Further information
Turn to page 80

Investment process

Source opportunities
Opportunities are identified through our business network and our own research, with opportunities initially screened for characteristics which meet our strategic risk/return appetite.

Analyse and invest
Extensive and ongoing business and financial due diligence is conducted by the team, often with input from independent advisers, before a final investment decision is made.

Collaboration
We build long-term rewarding relationships while continuously monitoring performance and risk.

Reinvest or return
Proceeds from realisations are reinvested in new investment opportunities or returned to shareholders through dividends or share buybacks.

Careful portfolio construction and risk management

To achieve our target returns, we primarily invest in equities, on a global basis. We manage the risk of permanent loss of capital by diversifying our interests and avoiding excessively risky investments. Effective risk management is a key component of our investment approach and we consider a number of key risk areas which assist in ensuring that the investment pools operate within strategic risk parameters.

Reputation and network

Our reputation as a supportive and constructively involved long-term investor enables us to develop our network of business contacts. This network enables us to identify opportunities and carry out due diligence, as well as being invaluable to the management of our investee companies.

Key performance indicators

We measure our performance against four strategic objectives using key performance indicators.

KPI	Rationale	Progress in the year
Net asset value total return ('NAVTR')	NAVTR is a measure of how the net asset value ('NAV') per share has performed over a period, taking into account both capital returns and dividends paid to shareholders APM Alternative performance measure - see page 159 for details	• the company has further extended its performance track record, reporting NAVTR of 3.3% in the year • over five and 10 years the company has reported a NAVTR of 13.5% p.a. and 9.0% p.a. respectively, outperforming inflation by 8.9% and 5.8% over the same periods • over 10 years the company's NAVTR has outperformed the FTSE All-Share TR Index by 2.8% p.a.
Total shareholder return ('TSR')	TSR measures the return to our shareholders through the movement in the share price and dividends paid during the measurement period APM Alternative performance measure - see page 159 for details	• the company's TSR for the year was 10.2% p.a. • over five and 10 years, the company's TSR was 11.0% p.a. and 7.5% p.a. respectively • over five years the company's TSR has underperformed against the FTSE All-Share index by 1.0% p.a. and outperformed inflation by 6.4% p.a. • over 10 years the company's TSR has outperformed the FTSE All-Share index by 1.3% p.a. and inflation by 4.3% p.a.
Dividend growth over time	A reliable source of income is important for our shareholders. Caledonia has a progressive dividend policy Annual dividend is the per share amount payable to shareholders out of profits for the year, excluding any special dividends	• the company paid an interim dividend of 19.69p and has proposed a final dividend of 53.91p, taking total dividends to 73.6p per share, a 4.5% increase year on year, extending our record of growing annual dividends for 58 consecutive years • over the last five and 10 years, our dividend has grown by 3.8% p.a. and 3.8% p.a. • over the same period, inflation has increased by 4.6% p.a. and 3.2% p.a.
NAV per share	The measure of the company assets, calculated by dividing net assets by the fully diluted number of shares in issue Please see note 17 of the financial statements	• at 31 March 2025, the company had net assets of £2,932m (5475p per share), reporting a 2.0% NAV per share return over the year • over five and 10 years the company has reported a NAV per share growth of 11.1% p.a. and 6.5% p.a. respectively

Our strategic objectives

Generate total returns that outperform inflation by 3%-6% over the medium to long term

Generate total returns that outperform the FTSE All-Share index over 10 years

Pay annual dividends increasing by inflation or more over the long term

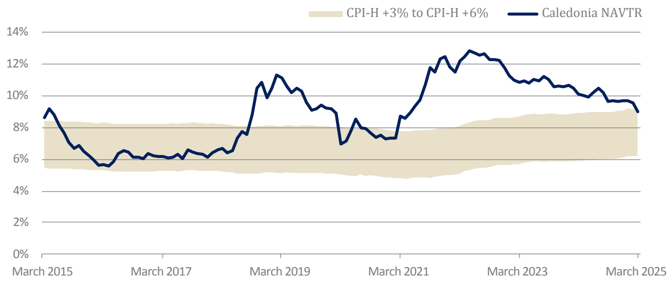
Manage investment risk effectively for long-term wealth creation

Links to strategic objectives and risks | Metric

Risks:

Strategic
Investment
Market
Liquidity
Operational
ESG

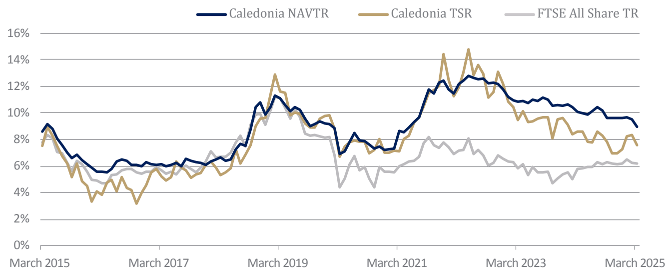
NAVTR annualised 10-year rolling performance



Risks:

Strategic
Investment
Market
Liquidity
Operational
ESG

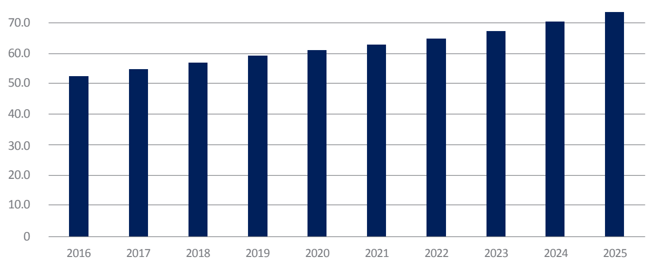
TSR annualised 10-year rolling performance



Risks:

Strategic
Investment
Market
Liquidity
Operational
ESG

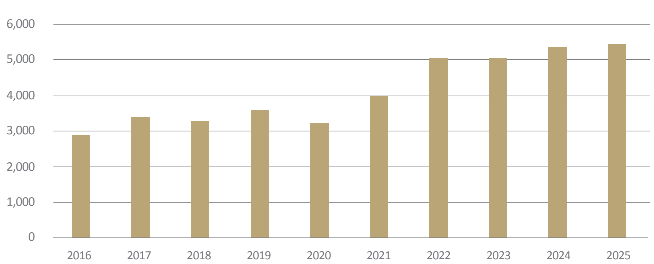
Annual dividend/share over 10 years (p)



Risks:

Strategic
Investment
Market
Liquidity
Operational
ESG

NAV/share over 10 years (p)

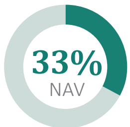


Investment review

Caledonia is a long term investor in both listed and private markets via three pools: Public Companies, Private Capital and Funds. Each investment pool is managed by a specialist team investing in well-managed businesses that combine long-term growth characteristics with, in many cases, an ability to deliver increasing levels of income.

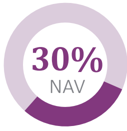
To ensure that we maintain a balanced portfolio, each of our investment pools has a strategic allocation range. At 31 March 2025, all of our investment pools were within their strategic allocation ranges.

Public Companies



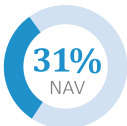
30%-40%
Strategic asset allocation

Private Capital



25%-35%
Strategic asset allocation

Funds



25%-35%
Strategic asset allocation

Overall performance

At 31 March 2025, the investment portfolio was valued at £2,732.7m, generating a return of 3.5% during the year. All investment pools contributed to growth, with performance delivered against a continuing backdrop of uncertainty and economic headwinds, underscoring the value of our diversified global portfolio of high-quality well-managed businesses with strong market fundamentals, alongside funds with strong track records of success.

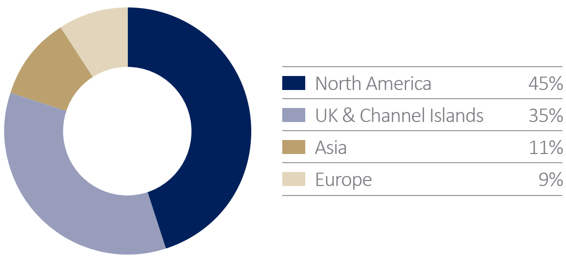
Investment activity

During the year, we invested a total of £320.3m into the portfolio, against which £336.4m of proceeds were received, resulting in net inflow of £16.1m.

Geographic diversification

The following chart shows the distribution of the portfolio at 31 March 2025 between regions. The basis of this analysis is the country of listing for quoted securities, country of headquarter for unlisted investments and underlying regional analysis for funds.

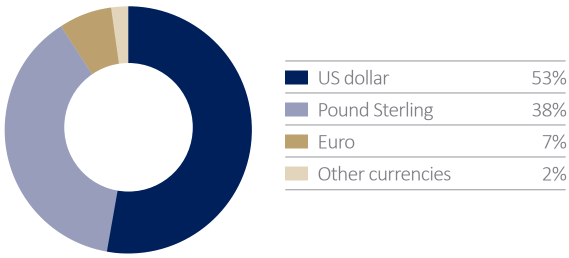
Geography by region (headquartered)



Currency

The following chart analyses net assets at 31 March 2025 by currency exposure, based on the currencies in which investments, cash or other assets are denominated or traded. During the year, Sterling strengthened by 2.2% against the US dollar, adversely impacting our total return.

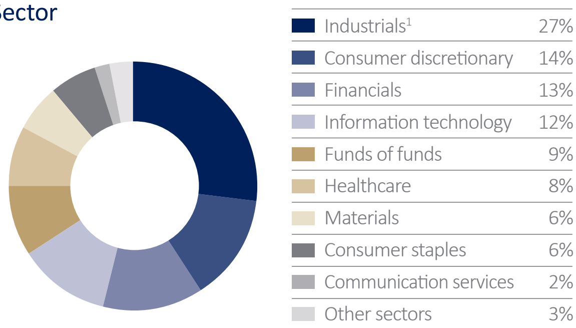
Currency exposure



Sector

The following chart shows the distribution of the portfolio at 31 March 2025 by sector, demonstrating a highly diverse sector exposure across our investments.

Sector



1. Includes AIR-serv Europe, DTM and Cooke Optics

Investment movements in the year

	31 March 2024 £m	Investments £m	Realisations[3] £m	Accrued income £m	Gains/ (losses) £m	31 March 2025 £m	Income £m	Return[4] %
Public Companies	949.8	106.8	(114.2)	-	22.3	964.7	21.8	4.7
Private Capital	820.3	83.7	(48.6)	2.2	13.1	870.7	17.5	3.7
Funds	926.3	129.8	(173.6)	-	14.8	897.3	4.4	2.2
Total pools	2,696.4	320.3	(336.4)	2.2	50.2	2,732.7	43.7	3.5
Other investments[1]	18.0	-	(0.8)	-	(6.3)	10.9	9.0	
Total investments[2]	2,714.4	320.3	(337.2)	2.2	43.9	2,743.6	52.7	
Net cash	227.4					151.3		
Other net assets	23.5					36.7		
Net assets	2,965.3					2,931.6		

1. Other investments comprise legacy investments, cash, receivables and deferred tax liability in subsidiary investment entities.
2. Total investment portfolio at 31 March 2024 included £19.0m relating to one investment that was classified as assets held for sale in the Group's Statement of financial position and was realised during the year to 31 March 2025.
3. Private Capital realisation of £48.6m relates to the repayment of a bridge loan relating to the acquisition of DTM and the realisation of Bloom.
4. Returns for investments are calculated using the Modified Dietz methodology.

Investment review (continued)

Top 10 investments

At 31 March 2025, our top 10 investments were valued at £1,234.2m and represent 42.2% of net assets.

Value **£221.4m**

% of NAV **7.6%**

Stonehage Fleming

Sector	Investment pool
Financials	**Private Capital**

Largest independent multi-family office in EMEA, providing family office, fiduciary, investment management, corporate services, treasury and custody services.

Investment thesis
- attractive long-term growth dynamics of the ultra high net worth market
- geographic and product based acquisition strategy
- significant investment in technology platform and people.

Value **£197.7m**

% of NAV **6.7%**

AirServ

Sector	Investment pool
Industrials	**Private Capital**

Leading designer and manufacturer of air, vacuum and jet wash machines, providing turnkey solutions to fuel station forecourt operators across Western Europe.

Investment thesis
- expand the installed machine estate, focusing on jet wash and incremental air opportunities in the UK and air growth in existing and new European geographies
- create a standalone business, investing in people, operations and governance
- drive performance efficiencies and cash generation.

Value **£192.7m**

% of NAV **6.6%**

Cobepa

Sector	Investment pool
Financials	**Private Capital**

Belgian-based independent investment company with net assets of €5.1bn, investing in private businesses in Europe and North America.

Investment thesis
- first invested with Cobepa in 2004 and the investment has since delivered strong, compounding returns
- long-term partner, with similar investment philosophy to Caledonia Private Capital
- geographic diversification and source of potential co-investments.

Value **£136.5m**

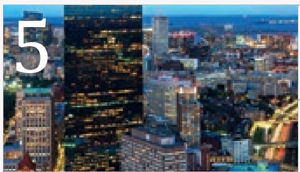
% of NAV **4.7%**

Butcombe Group

Sector	Investment pool
Consumer Discretionary	**Private Capital**

Inns and drinks business with a pub estate stretching from south-west London to Bristol and the Channel Islands.

Investment thesis
- defensive, asset backed business generating robust cash flow from its Channel Islands operations which is being reinvested in expanding the UK operations
- capital growth generated through targeted capex within the UK estate, both enhancing current assets and the acquisition of additional pubs
- market share gains and synergies from acquisitions.



Value **£99.9m**

% of NAV **3.4%**

HighVista Strategies

Sector	Investment pool
Diversified sector exposure	**Funds**

Private equity funds of funds investing in the US lower mid-market managed by HighVista Strategies.

Investment thesis
- provides diversified exposure to US private equity
- committed to five funds of funds.

Investments summary
Turn to page 158

6

PHILIP MORRIS INTERNATIONAL

Value **£90.1m**

% of NAV **3.1%**

Sector
Consumer discretionary

Investment pool
Public Companies

Leading international tobacco company, actively delivering a smoke-free future by transitioning its portfolio from predominantly combustible tobacco to smoke-free nicotine products.

Investment thesis

- market-leading position in smoke-free products, with IQOS and Zyn demonstrating strong growth and premium pricing power
- attractive economics and resilient cashflows with optionality to grow revenues further in the US over the medium term.

7

watsco THE COOLEST GREEN COMPANY

Value **£76.6m**

% of NAV **2.6%**

Sector
Industrials

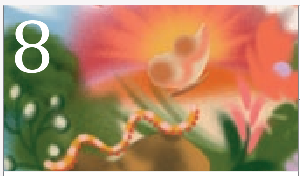
Investment pool
Public Companies

Largest distributor of air conditioning, heating and refrigeration equipment in North America.

Investment thesis

- sustained investment in digitalisation of the business should support market share growth, margin improvement and enhance the attractiveness of Watsco as an owner of other smaller distributors
- continued positive industry dynamics should lead to strong compounding of earnings.

8



Microsoft

Value **£73.6m**

% of NAV **2.5%**

Sector
Information technology

Investment pool
Public Companies

Leading developer of computer software systems, applications and cloud services.

Investment thesis

- focuses on Microsoft's strength as a top tier cloud platform and a leader in enterprise software. In addition they are an important player in AI and are quickly integrating AI technology across their product range
- long duration of growth due to long term enterprise cloud transition with Microsoft's economics driven by Azure and Microsoft Office 365.

9

AXIOM ASIA Private Capital

Value **£73.4m**

% of NAV **2.5%**

Sector
Diversified sector exposure

Investment pool
Funds

A leading private equity investment firm focused on the Asia Pacific region with total commitments of over $8bn across 10 funds.

Investment thesis

- access to top-tier mid-market private equity funds diversified across buyout, growth and venture capital
- primarily invests in mid-market, country-specific funds with proven track records and strategies
- committed to five funds of funds.

10

ORACLE

Value **£72.3m**

% of NAV **2.5%**

Sector
Information technology

Investment pool
Public Companies

One of the largest global providers of products and services, including enterprise applications and infrastructure, for enterprise information management.

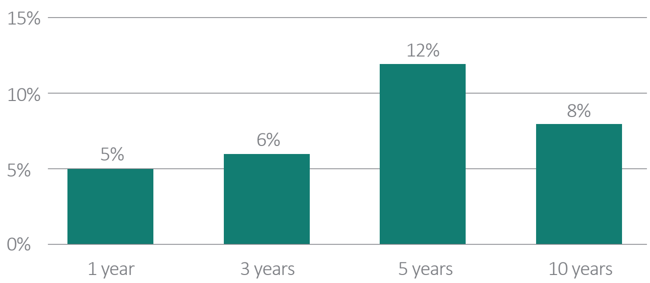
Investment thesis

- revenue growth should accelerate due to increasing demand for Oracle cloud infrastructure services
- long term economics benefit from the continued transition to a cloud and subscription based model.

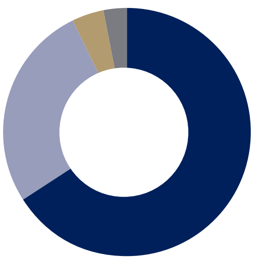
Public Companies

We believe, over the long term, performance of the portfolio is primarily driven by the operational performance of the underlying companies. Focused on 'co-owning' companies that are built on solid foundations and generate cash, we target businesses that we understand with underlying growth and pricing power that can deliver good returns on capital.

Annualised returns (%)



Geography by region (headquartered)



North America	66%
UK & Channel Islands	27%
Europe	4%
Asia	3%

Sector

Information technology	24%
Industrials	20%
Consumer staples	14%
Materials	12%
Healthcare	7%
Financials	6%
Consumer discretionary	6%
Communication services	4%
Utilities	4%
Real estate	3%

Strategy

The Public Companies pool provides Caledonia with exposure to a concentrated portfolio of high-quality well-managed businesses. The qualities we focus on include a strong market position, good and sustainable returns on capital, and experienced management teams, which are closely aligned with long-term investors. We expect that a combination of these factors will reward patient long-term ownership. The portfolio is well positioned to withstand short-term market volatility, which we believe does not materially impact the long-term value in the businesses we own.

Caledonia's evergreen balance sheet ensures our strategy is not constrained by the need to manage subscriptions or redemptions. This allows us to introduce and realise capital to and from the pool when markets provide good opportunities.

The global portfolio comprises two strategies, the Capital and the Income portfolios, each generally holding between 15 and 20 companies. The Income portfolio aims to deliver an initial yield on invested cost of 3.5% with the dividend per share from these holdings growing ahead of inflation over the longer term. The Capital portfolio has no dividend target, is unconstrained and, consequently, should produce higher returns over time. The portfolios are managed by a single team, with no benchmark, and with the same research methodology and investment discipline.

Performance

During the year, the Public Companies pool generated a total return of 4.7% (6.6% in local currencies). Over the last 10 years the Public Companies pool has delivered returns of 8.4% p.a.

Capital portfolio

"We invest in high quality companies with strong market fundamentals and resilient cashflows. The portfolio is well positioned to withstand short-term market volatility, which we believe does not materially impact the long-term value we see in the businesses we own."

Alan Murran
Co-Head of
Public Companies

Moody's case study
Turn to page 31

Performance

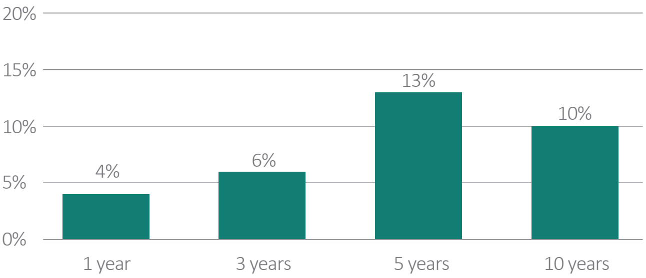
At the year end, the Capital portfolio was valued at £697.9m and delivered a return of 3.6% in the year. Volatility and uncertainty in equity markets during March 2025 had a particularly sharp impact, with a decline of 7.3% in the month. The portfolio remains concentrated, comprising 18 holdings. Including the impact of foreign exchange, over the last 10 years the Capital portfolio has delivered annualised returns of 10.2% p.a.

The strongest performers in terms of share price returns were Alibaba Group (82.4%), Philip Morris (77.1%) and Charter Communications (24.1%), primarily driven by a combination of underlying company operating results and improved expectations for future growth prospects. Alibaba Group's performance followed growth in its domestic and international e-commerce businesses and an expansion in cloud computing revenues, coupled with economic stimulus measures in China which boosted investor confidence. Phillip Morris' smoke-free products continue to grow strongly with net revenues up over 20% from the prior year. Charter remains well positioned to benefit from robust free cashflow growth as capex diminishes, particularly in the wireless market. Gains across the Capital portfolio were partially offset by negative contributions primarily from Croda International (-39.7%) and Spirax Sarco (-36.8%) due to operational deleveraging amid demand headwinds in their end markets. However, we remain confident in the longer-term prospects of both.

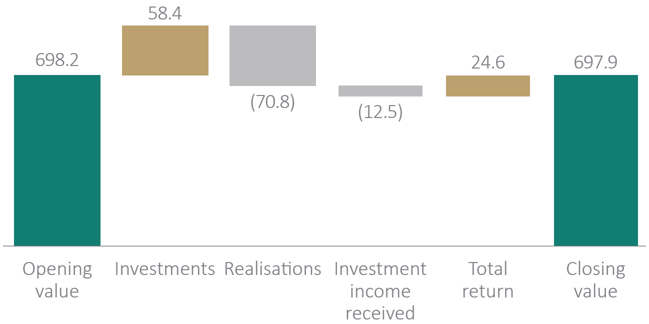
Investment activity

During the year, the portfolio initiated a new position in Pool Corp, a leading US distributor of swimming pools and related outdoor living products and sold its holding in British American Tobacco. Following a period of strong share price appreciation, the portfolio crystalised gains on a portion of its holdings in Fastenal, Oracle and Watsco. Other than this trading activity remained targeted with refined positions in a number of existing investments.

Annualised portfolio returns - Capital



Portfolio movements (£m) - Capital



Significant portfolio investments

Name	Business	Geography	First invested	Value £m	Portfolio %	Return %
Microsoft	Software	US	2014	73.6	10.5	(12.1)
Oracle	Software	US	2014	72.3	10.4	15.7
Philip Morris	Tobacco and smoke-free products	US	2016	64.8	9.3	77.1
Watsco	Ventilation products	US	2017	58.4	8.4	19.1
Texas Instruments	Semiconductors	US	2018	46.5	6.7	3.6
Charter Communications	Cable communications	US	2017	40.4	5.8	24.1
Thermo Fisher Scientific	Pharma and life sciences services	US	2015	38.7	5.5	(15.9)
Moody's Corporation	Financial services	US	2022	38.3	5.5	16.8
Hill & Smith	Infrastructure	UK	2011	35.6	5.1	(5.9)
Pool Corp	Pool services	US	2024	31.9	4.6	(6.6)
Spirax Sarco	Steam engineering	UK	2011	31.0	4.4	(36.8)
Alibaba Group	E-commerce	Asia	2021	28.5	4.1	82.4
Fastenal	Industrial Supplies	US	2020	27.8	4.0	2.4
Other				110.1	15.7	
				697.9	100.0	3.6

Public Companies (continued)

Income portfolio

"This strategy offers a resilient and growing income stream. The quality focus and defensive bias delivered a strong result for the year and in an increasingly uncertain environment these companies continue to provide robust cashflows."

Ben Archer
Co-Head of
Public Companies

Performance

The Income portfolio was valued at £266.9m and generated a return of 8.0% in the year. The higher weighting to more defensive companies partially shielded its performance from the volatility in equity markets during March 2025. Like the Capital portfolio, it is concentrated, comprising 17 holdings. Including the impact of foreign exchange, over the last 10 years the Income portfolio has delivered annualised returns of 4.6% p.a.

The strongest performers were Philip Morris (77.1%), British American Tobacco ('BAT') (43.2%), Unilever (21.0%) and Sage (20.1%). While BAT's smoke-free business is not as well developed as that of Philip Morris, it continues to make progress while paying an attractive dividend. Both Unilever and Sage continued to execute well against their stated strategies.

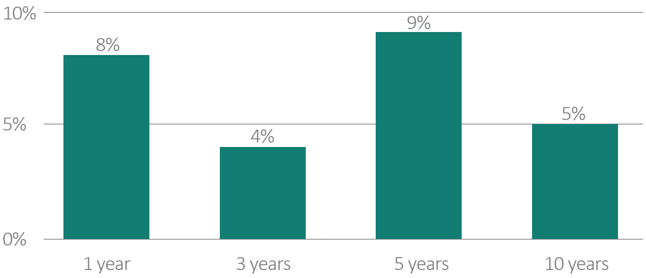
Gains were partially offset by weaker share price performances from Croda International (-38.8%) and Diageo (-28.6%). Both companies have suffered from an extended period of post pandemic normalisation in their end markets characterised by destocking and softer demand conditions. However, we remain positive on their longer-term prospects.

Investment activity

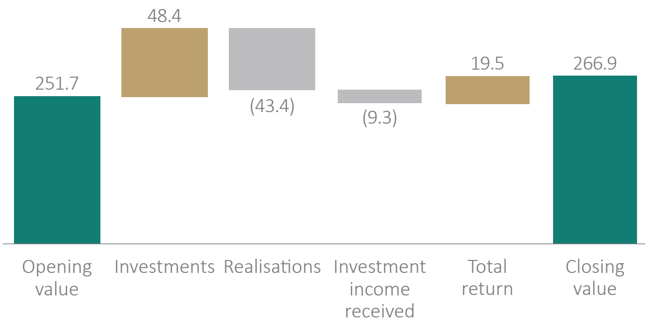
During the year, the portfolio initiated three new positions: Sage, a leading accounting, HR and payroll software provider to SMEs; Howdens, the UK's leading trade kitchen supplier; and Croda International, the speciality chemicals company, which is also held in the Capital portfolio. The portfolio exited positions in DS Smith, following the announcement of the agreed offer from International Paper, together with Pennon Group and Reckitt Benckiser.

Fastenal case study
Turn to page 7

Annualised portfolio returns - Income



Portfolio movements (£m) - Income



Significant portfolio investments

Name	Business	Geography	First invested	Value £m	Portfolio %	Return %
Philip Morris	Tobacco & smoke-free products	US	2021	25.3	9.5	77.1
National Grid	Electricity	UK	2015	20.9	7.8	9.5
Unilever	Consumer goods	UK	2019	18.9	7.1	21.0
Fortis	Utilities	US	2020	18.5	6.9	16.2
Watsco	Ventilation products	US	2020	18.2	6.8	19.9
Relx	Research & consulting	UK	2023	18.2	6.8	15.1
Texas Instruments	Semiconductors	US	2020	17.7	6.6	3.6
SGS	Testing & certification	Europe	2020	16.8	6.3	2.6
Sage Group	Software	UK	2024	16.6	6.2	20.1
Fastenal	Industrial supplies	US	2020	15.4	5.8	0.1
Diageo	Alcoholic drinks	UK	2020	13.9	5.2	(28.6)
Other Investments				66.5	25.0	
				266.9	100.0	8.0

Case study

MOODY'S

Leading global provider of credit ratings and risk management solutions.

£25m Weighted average cost	**2022** Date of initial investment	**£38m** Valuation at 31 March 25
17% p.a. Return since initial investment (£)	**$64bn** Market capitalisation	**Financial services** Sector

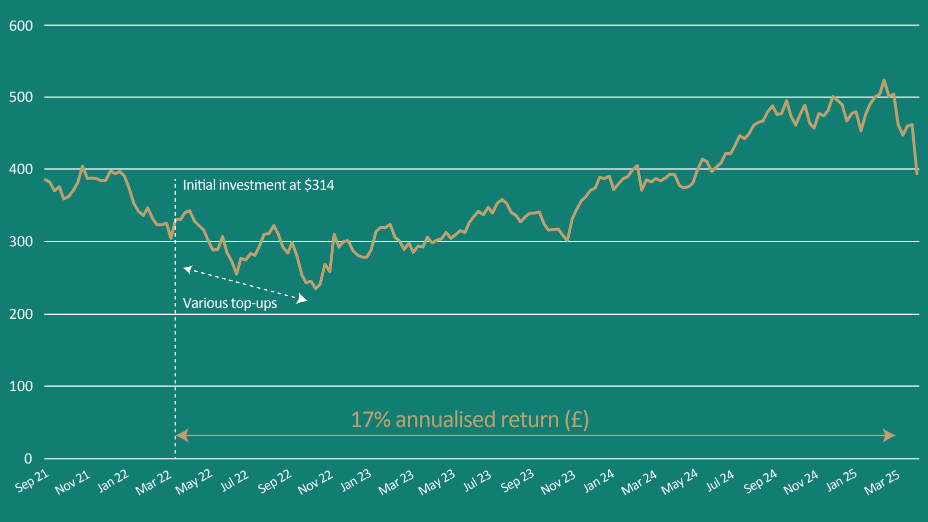
Original investment thesis

- Strong pricing power underpinned by compelling customer value proposition
- Attractive re-investment opportunities across the analytics business
- Low capital requirements and conservatively managed

Caledonia built a position in the Capital portfolio over March to October 2022, following a c.40% share price decline due to market concerns regarding debt issuance amid a sharp Federal Reserve tightening cycle and Russia's invasion of Ukraine.

Since that time Moody's has increased revenues from $5.4bn to $7.3bn (CAGR 15.5%), reported an EBIT CAGR of 28.2% and substantial EBIT margin expansion of 788 bps to 42.4%. Over the same period, the share price has nearly doubled, reporting an annualised total return of 17%, including dividends of £0.7m.

Share price (US$)



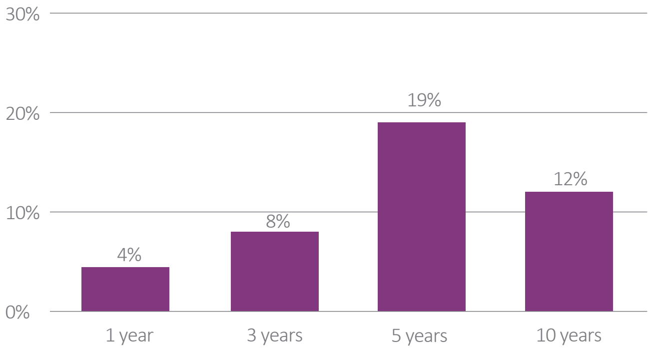
Private Capital

Concentrating on mid-market companies, we focus on delivering enduring value in the shape of capital growth and a current yield throughout the business cycle.

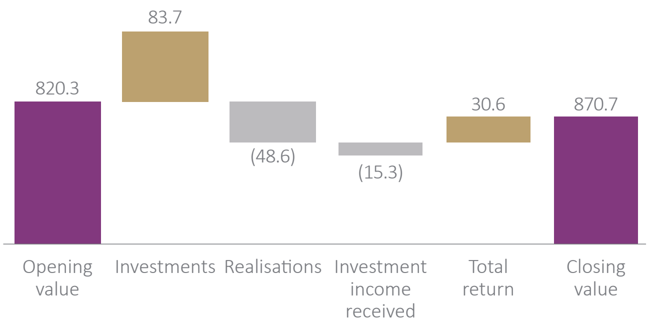
Tom Leader
Head of Private Capital

"We seek to invest in high-quality, well-established UK centric businesses, with a mid-market focus. We provide a whole eco-system of support to our portfolio companies, be that through M&A, establishing governance structures or supporting their data and digital strategies. This, along with our buy-to-own, rather than buy-to-sell, philosophy differentiates us from other private equity managers."

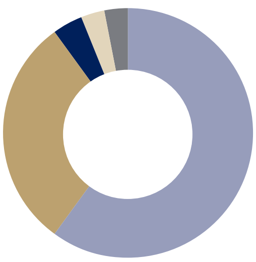
Annualised pool returns - Private Capital



Portfolio movements (£m) - Private Capital

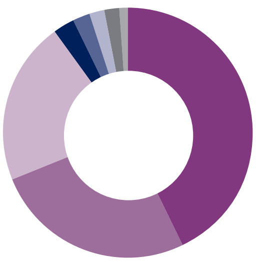


Geography by revenue generation



UK & Channel Islands	60%
Europe	30%
North America	4%
Other countries	3%
Asia	3%

Sector



Industrials[1]	43%
Financials	26%
Consumer discretionary	21%
Materials	3%
Healthcare	2%
Consumer staples	2%
Other sectors	2%
Information technology	1%

1. Includes AIR-serv Europe, DTM and Cooke Optics

Strategy

The Private Capital pool comprises a small number of direct investment holdings in private companies, predominantly in the UK mid-market. We buy-to-own, focusing on cash generative businesses with strong growth potential and favourable market dynamics. We typically invest £50m to £150m in each company using low levels of leverage, providing long-term capital along with operational and strategic support to portfolio company management teams. Unlike many private equity firms, as a balance sheet investor, we are not constrained by the finite life of a private equity fund. This allows us to create fundamental value over the medium to long term allowing us to exit only when the time is right to maximise value for shareholders. From investments made since 2012, the strategy has returned £1.1bn of realised proceeds at an IRR of 17% and a multiple of 1.8x cost.

Performance

At 31 March 2025, the Private Capital portfolio consisted of eight companies, with five investments representing over 90% of value.

The portfolio was valued at £870.7m and generated a return of 3.7%, driven by good operational performance from Stonehage Fleming and AIR-serv Europe. This was partially offset by a reduction in the value of our investment in Cooke Optics. Including the impact of foreign exchange, over the last 10 years the Private Capital pool has delivered an annualised return of 12.4% p.a.

The majority of the portfolio is valued on an earnings multiple basis, with these multiples in the range of 10 to 14.5 times last 12 months' earnings before interest, tax, depreciation and amortisation ('LTM EBITDA'). Gearing levels are low, with net debt typically in the range of 2 to 2.5 times LTM EBITDA.

Investment activity

We invested a total of £68.7m during the period, primarily our £55.0m acquisition of DTM in August 2024. We received proceeds of £33.6m from the sale of Bloom Engineering in December 2024, at an uplift of 42.5% to the 31 March 2024 carrying value.

Portfolio summary

Stonehage Fleming, the international multi-family office, continues to deliver strong organic growth across each of the Family Office, Investment Management and Financial Services businesses, with revenue increasing by over 10% during the last 12 months. The valuation at 31 March 2025 was £221.4m, a return of 32.1% for the year.

AIR-serv Europe, is a leading designer and manufacturer of air, vacuum and jet wash machines, which it provides to fuel station forecourt operators across the UK and Western Europe. The business has c.60% market share, with c.23,000 machines installed at over 15,000 customer locations. It has performed well since acquisition, reporting good year-on-year growth. AIR-serv Europe continues to trade ahead of expectations and we received our first dividend of £6.2m in the year. The valuation at 31 March 2025 was £197.7m, a return of 20.0% for the year.

Cobepa, the Belgian based investment company, owns a diverse portfolio of 18 private global investments. The majority of the businesses within the Cobepa portfolio continue to make progress. The valuation at 31 March 2025 was £192.7m, a return of 7.8% (10.0% in local currency) for the year.

Butcombe Group (formerly Liberation Group), is an inns and drinks business with an estate of 69 managed and 50 tenanted pubs, stretching from Southwest London to Bristol and the Channel Islands. Trading performance has improved across all three business units, with year-on-year profits increasing. The optimisation of the Cirrus Inns business, acquired in December 2022, is also delivering good results. Despite this improved trading, the UK operations will be impacted by the Chancellor’s increase to both National Insurance and National Minimum Wage, accordingly the valuation at 31 March 2025 was broadly in line with 31 March 2024 at £136.5m, a return of 0.9% for the year.

DTM, the UK's leading independent provider of outsourced tyre management services to fleet operators, was acquired in August 2024. Headquartered in Blackpool, DTM has over 100 employees and serves c.250 fleet customers with c.285,000 vehicles and c.1.3 million tyres under management. Enabled by a proprietary technology platform, which allows customers to maximise their fleet efficiency, compliance and output, DTM connects the vehicles it manages to a national network of over 3,500 service provider locations. Over the last 15 years, DTM has consistently delivered year-on-year growth with a revenue CAGR of c.15%. Since acquisition we have appointed a new Chair to support the management team and have recruited a Chief Revenue Officer, who brings extensive industry experience and will further strengthen the sales function. The valuation has been maintained at the equity purchase cost of £55.0m.

Cooke Optics, a leading manufacturer of cinematography lenses, continues to be heavily impacted by the repercussions from the Hollywood strikes in 2023. These disputes were resolved later that year, however recovery in the cinematography market has been slow and it is clear that it will take longer than previously anticipated for the industry to recover to pre-strike levels. As previously reported, we have reflected a more conservative outcome of the timing and level of this recovery in the valuation at 31 March 2025 of £44.1m, a reduction of 63.2% for the period. Cooke has no third-party debt. During the year, following a comprehensive executive search, a new CEO joined the business in January 2025. We have been working closely with the management team as they navigate through this challenging period.

We have assessed the portfolio against the backdrop of possible global tariff increases and, while the situation remains volatile, we do not believe any of the companies will be materially impacted, whether directly or indirectly. None are exposed in a way which would threaten their viability or liquidity position. The most significant risk is that tariff increases result in a general economic and capital markets downturn.

DTM Case study
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Stonehage Fleming case study
Turn to page 34

Significant pool investments

Name	Business	Geography	First invested	Value £m	Pool %	Return %
Stonehage Fleming	Family office services	Channel Islands	2019	221.4	25.4	32.1
AIR-serv Europe	Forecourt vending	UK	2023	197.7	22.7	20.0
Cobepa	Investment company	Europe	2004	192.7	22.1	7.8
Butcombe Group	Pubs, bars & inns	Channel Islands	2016	136.5	15.7	0.9
Direct Tyre Management	Tyre management services	UK	2024	55.0	6.3	0.6
Cooke Optics	Cine lens manufacturer	UK	2018	44.1	5.1	(63.2)
Other				23.3	2.7	
				870.7	100.0	3.7

Private Capital (continued)

Case study

STONEHAGE FLEMING

A leading independent global multi-family office.

£89m Cost	2019 Date of initial investment	£221m Valuation at 31 March 25
18% IRR	Financial Services Sector	

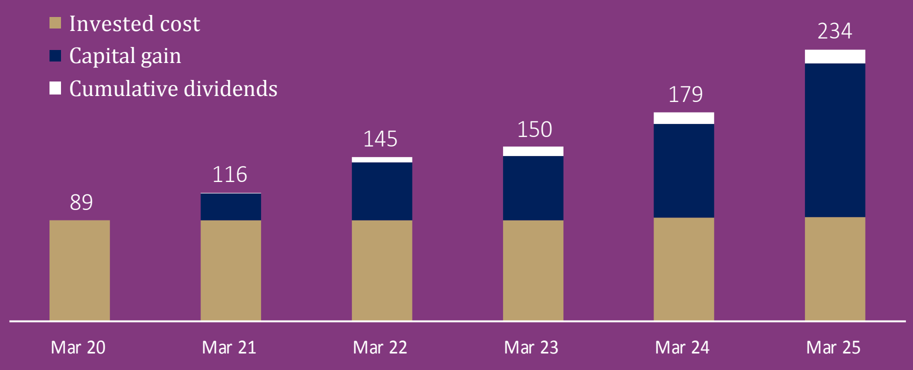
Investment thesis

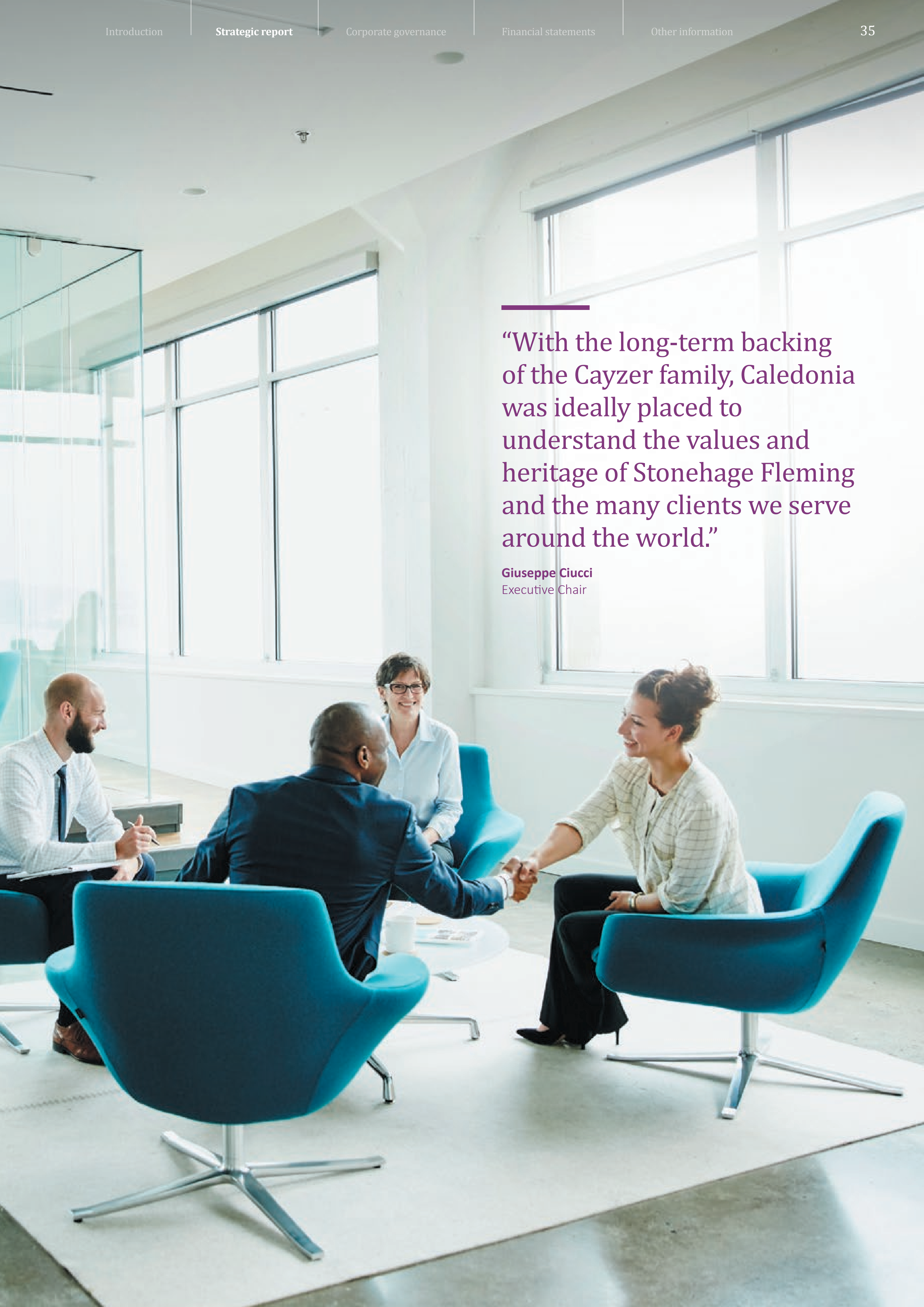
- Attractive long-term growth dynamics
- Geographic and product-based acquisition strategy
- Significant investment in technology platform and people

Formed in 2015 through the merger of Stonehage Group and Fleming Family & Partners, Stonehage Fleming is a leading independent multi-family office and ultra-high net worth wealth manager. In 2018, Stonehage Fleming's shareholders sought to identify a long term financial investor with a similar ethos and heritage to the business, and Caledonia invested in the business in July 2019.

Our investment thesis was centred on building scale, international reach and additional services to be able to service the fast-growing ultra-high net worth market with a comprehensive independent service offering from a global footprint. Since acquiring our stake in the business it has delivered strong organic and inorganic growth, including completing three acquisitions, which have added AUM and geographic scale to the business. Since 2019, the business has grown into the largest independent multi-family office in EMEA, with 20 offices in 14 countries and it is involved in the management, fiduciary oversight and administration of assets of US$170 billion.

Returns track record





"With the long-term backing of the Cayzer family, Caledonia was ideally placed to understand the values and heritage of Stonehage Fleming and the many clients we serve around the world."

Giuseppe Ciucci
Executive Chair

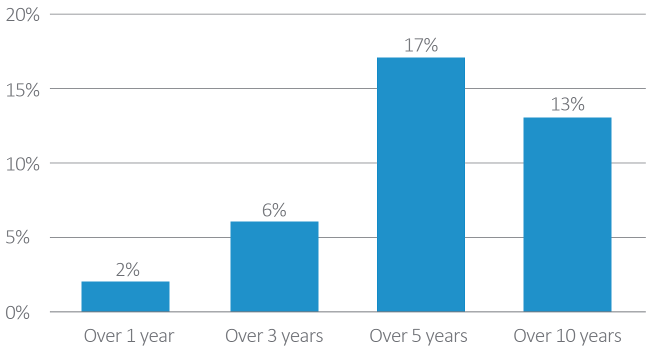
Funds

We seek diversified fund holdings in private capital that provide long-term returns in geographic markets that counterbalance our quoted equity and UK-centric private capital investments.

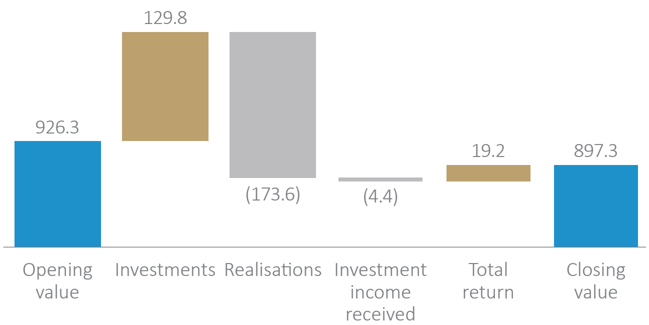
Jamie Cayzer-Colvin
Head of Funds

"Although no portfolio is immune to geopolitical and macroeconomic headwinds, we believe our diversified portfolio is well-positioned to navigate the ongoing uncertainty around US trade policy and its global implications. Our North America portfolio, focused on the lower mid-market, is composed of resilient businesses with limited exposure to international trade flows. Likewise, our Asia holdings are predominantly focused on domestic markets and supply chains."

Annualised pool returns - Funds



Portfolio movements (£m) - Funds



Geography by region

N. America	63%
Asia	37%

By strategy

N. America buyout	52%
N. America fund of funds	9%
N. America other	2%
Asia venture and growth	20%
Asia fund of funds	17%

Strategy

We invest in funds operating in North America and Asia with a bias to buyouts. The pool provides attractive diversification, investing in 80 funds managed by 45 managers, with an underlying portfolio of over 600 companies in our directly held funds, across a wide range of sectors and company sizes.

The North America based funds, which represent 63% of the Funds pool (19% of Caledonia's NAV), invest into the lower mid-market, with a focus on small to medium sized, often owner-managed, established businesses. These funds regularly provide the first institutional investment into these businesses, and support their professionalisation and growth, both organically and through M&A activity. Realisations are typically through trade sales or to other, larger private equity funds. The North America holdings are a combination of directly owned funds (52% of Funds pool), fund of funds investments (9% of Funds pool) and quoted funds (2% of Funds pool).

Our Asia funds represent 37% of the Funds pool (11% of Caledonia's NAV) investing across a wide range of sectors, which are set to benefit from wider demographic trends, such as healthcare and technology. The funds typically invest in businesses which have successfully developed their business model and are in the early years of significant growth. Whilst focused on local markets, a small number, particularly those with a healthcare focus, also invest into the US. The pool is a combination of directly owned funds (20% of Funds pool) with the balance (17% of Funds pool) invested with Asia Alternatives, Axiom and Unicorn, all fund of funds providers.

De Cheng Capital case study
Turn to page 11

KLH Capital case study
Turn to page 38

Performance

At 31 March 2025, the pool was valued at £897.3m, comprising £565.7m of North America funds, £328.7m of Asia funds and £2.9m of legacy fund investments. The pool generated a total return of 2.2% (4.6% in local currencies) driven by continued positive performance from our North America holdings (8.4% in local currency) partially offset by the decline in the value of our Asia holdings (-1.6% in local currency) reflecting the more challenging market conditions in the region. Including the impact of foreign exchange, over the last 10 years, the Funds pool has delivered annualised returns of 13.3% p.a.

Looking at the performance drivers in our North America primary fund programme, alongside improved realisation activity, robust operating performance continued to be a key driver of returns. That said, no portfolio is immune to geopolitical and macroeconomic headwinds, but we believe our diversified portfolio is well-positioned to navigate the ongoing uncertainty around US trade policy and its global implications. Our North America portfolio, focused on the lower mid-market, is composed of resilient businesses with limited exposure to international trade flows. Whilst the underlying companies are fundamentally sound, our managers anticipate a more moderated distribution profile in the near-term as companies assess the duration and economic impact of the announced US trade policy. Likewise, our managers anticipate that new investment activity may also be impacted, and fund drawdowns may be moderated during the period of uncertainty.

Within our Asia portfolio, we believe underlying portfolios are well positioned, benefitting from selective exposure to high-growth sectors. However, valuations have continued to be impacted by the weakness in local public markets, the operating environment and reduced attractiveness of foreign public markets for IPOs. In Asia we have seen an increase in the level of distributions from 2024, albeit the pace of distributions has yet to recover to the peak of 2021. Given the continued uncertainty in the macro environment, alongside the earlier stage focus of our Asia fund holdings, we expect the pace of distributions to take longer to return to normal levels. Similar to our North America portfolio, our Asia holdings are predominantly focused on domestic markets and supply chains.

Investment activity

Overall, the Funds pool generated net cash of £43.8m in the year. Drawdowns totalled £129.8m, with 80% deployed into North America funds and the balance into Asia funds. Distributions totalled £173.6m with 65% distributed from the North America portfolio. Included within distributions of £173.6m, is £19.0m from a secondary sale of an Asia fund.

Portfolio maturity

Our primary funds portfolio has a weighted average age of approximately 4.3 years (31 March 2024: 4.3 years). The weighted average age of our North America holdings is 4.0 years (31 March 2024: 4.0 years), within the window of a four to six year holding period typically targeted by our managers. Given the earlier stage focus of our Asia portfolio the weighted average age of these holdings is 4.9 years (31 March 2024: 5.1 years).

Portfolio maturity (excluding funds of funds)

< 1 year	12%
1 - 3 years	21%
3 - 5 years	32%
5 - 7 years	20%
7 years plus	15%

Uncalled commitments

At 31 March 2025, uncalled commitments were £415.9m (2024: £377.0m), 73% to North America and 27% to Asia.

During the year, US$200m was committed: US$180m to North America lower mid-market buyout funds and US$20m to an existing fund manager in the Asia portfolio.

Significant manager exposure

Name	Business	Geography	First invested	Value £m	Pool %	Return %
HighVista Strategies	Funds of funds	US	2013	99.9	11.1	(9.8)
Axiom Asia funds	Funds of funds	Asia	2012	73.4	8.2	(4.6)
De Cheng funds	Private equity funds	Asia	2015	58.5	6.5	(12.6)
Unicorn funds	Funds of funds	Asia	2018	39.9	4.4	(5.0)
Asia Alternatives funds	Funds of funds	Asia	2012	38.2	4.3	(4.2)
Boyne funds	Private equity funds	US	2017	33.4	3.7	51.3
AE Industrial funds	Private equity funds	US	2018	29.0	3.2	39.0
Stonepeak funds	Private equity funds	US	2015	28.6	3.2	(10.2)
Other investments				496.4	55.4	
				897.3	100.0	2.2

Funds (continued)

Case study

KLH CAPITAL

Founded in 2005, KLH Capital pursue value-oriented investments in small companies in the specialty services, value-added distribution and niche manufacturing sectors.

Typically KLH will be the first institutional capital into closely-held or family-owned businesses who roll meaningful equity. They look to invest in businesses with stable earnings, consistent profitability and a sustainable competitive advantage, where they can improve operations post-transaction.

Target company criteria

$20m-$125m Enterprise value	$20m+ Revenue	$5m+ EBITDA
$10m-$60m Total equity investment	8-12 Platform investments per fund	1-3 Investments per annum

Portfolio company snapshots

D&H United Fueling Solutions – Leading supplier of petroleum fuelling and EV charging equipment, installation and service across the United States. Sold in September 2022.

Jackson Infrastructure – Leading utility and infrastructure service provider to the telecom, power, gas and other infrastructure markets.

Marek Sawing & Drilling – Leading field services provider of sawing, drilling, demolition and concrete placement for the maintenance and retrofit of critical assets and infrastructure.

Caledonia's commitment

Caledonia first committed to KLH Capital in 2019 and made a follow-on commitment to Fund V in 2022.

Caledonia serves on the Limited Partner advisory board for KLH IV and KLH V.

Fund name	KLH IV	KLH V
Vintage year	2019	2023
Fund size	$209m	$412m
Caledonia's Commitment	$27.5m	$30m

"The lower mid-market is central to our North America strategy, and we've cultivated a successful relationship with KLH Capital over their last two funds."

Eloise Fox
Director, Funds

Financial review

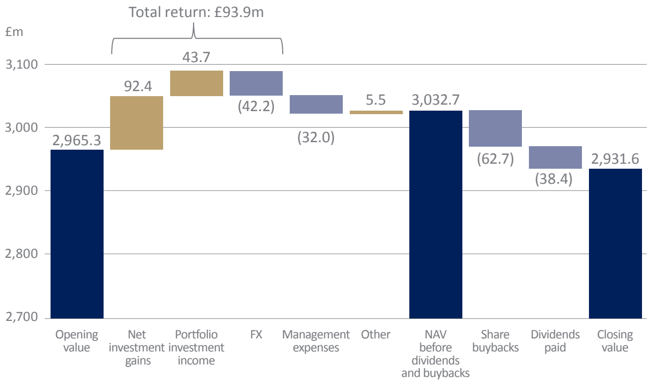
Rob Memmott
Chief Financial Officer

Our robust balance sheet has no structural leverage. With total liquidity of £476m we are well positioned to take advantage of investment opportunities.

Caledonia ended the year with net assets of £2,932m (5,475p per share) (2024: £2,965m; 5,369p per share), delivering a return of 3.3% for the year. The NAV performance reflects generally good operating performance offset by recent equity market volatility and foreign exchange movements. Our portfolio of high-quality companies coupled with our long-term philosophy, positions us well to navigate uncertainty and deliver long-term real returns.

Our annualised NAVTR over 10 years is 9.0%, with 5.8% and 2.8% respective outperformance of inflation and the FTSE-All Share index over the same period.

Change in net assets



Total comprehensive income

The company seeks to generate total profits from both investment income and capital growth. For the year ended 31 March 2025, the total comprehensive income was £66.9m (2024: £203.4m), of which £30.9m (2024: £40.5m) derived from revenue and £36.0m (2024: £162.9m) from capital.

Summary balance sheet

£m	31 Mar 2024	Investments	Realisations	Investment income[3]	Total return	31 Mar 2025
Total investment portfolio	2,696.4	320.3	(336.4)	(41.5)	93.9	2,732.7
Other investments[1]	18.0	–	(0.8)	(9.0)	2.7	10.9
Total investments[2]	**2,714.4**	**320.3**	**(337.2)**	**(50.5)**	**96.6**	**2,743.6**
Net cash	227.4	–		–		151.3
Other net (liabilities)/assets	23.5	–		–		36.7
Net assets	**2,965.3**	–		–		**2,931.6**

1. Other investments comprise legacy investments, cash, receivables and deferred tax liability in subsidiary investment entities.
2. Total investment portfolio at 31 March 2024 included £19.0m relating to one investment that was classified as assets held for sale in the Group's Statement of financial position and was realised during the year to 31 March 2025.
3. Investment income is net of the movement in accrued income of £2.2m.

Income statement

£m	31 Mar 2025 Revenue	Capital	Total	31 Mar 2024 Revenue	Capital	Total
Investment income - portfolio[1]	43.7	-	43.7	47.1	-	47.1
Net gains on fair value investments - portfolio[2]	-	50.2	50.2	-	185.3	185.3
Total return	**43.7**	**50.2**	**93.9**	**47.1**	**185.3**	**232.4**
Investment income - other investments[1]	9.0	-	9.0	14.7	-	14.7
Net losses on fair value investments - other investments[2]	-	(6.3)	(6.3)	-	(10.9)	(10.9)
Net losses on fair value property	-	(1.3)	(1.3)	-	(3.9)	(3.9)
Other income	0.9	0.4	1.3	0.9	0.6	1.5
Total net investment income	**53.6**	**43.0**	**96.6**	**62.7**	**171.1**	**233.8**
- ongoing management	(25.9)	-	(25.9)	(22.9)	-	(22.9)
- performance awards[3]	-	(5.8)	(5.8)	-	(8.3)	(8.3)
- transaction costs	-	(0.3)	(0.3)	-	(0.1)	(0.1)
- exchange movements and other	(1.3)	-	(1.3)	(0.7)	-	(0.7)
- other expenses (non-recurring)	(2.9)	-	(2.9)	-	-	-
- other transactions with intra-group (non-consolidated) entities[4]	-	-	-	(0.2)	-	(0.2)
Net finance costs	6.4	-	6.4	(0.2)	-	(0.2)
Taxation and other	1.0	(0.9)	0.1	1.8	0.2	2.0
Total comprehensive income	**30.9**	**36.0**	**66.9**	**40.5**	**162.9**	**203.4**

1. Total investment income from the portfolio and other investments £52.7m (2024: £61.8m).
2. Total net gains / (losses) on fair value investments from the portfolio and other investments £43.9m (2024: £174.4m).
3. Performance awards of £5.8m includes £0.5m of costs recharged to an intra-group (non-consolidated) entity.
4. Other transactions with intra-group (non-consolidated) entities in the year to 31 March 2024 includes a £7.2m foreign exchange gain on an intra-group loan facility and a £7.2m interest expense on the intra-group loan facility which is reflected in finance costs in the Group statement of comprehensive income. The loan to the non-consolidated subsidiary was fully repaid at 31 March 2024.

Caledonia allocates expenses between revenue and capital in accordance with guidance from the Association of Investment Companies and broader market practice. In addition to transaction costs, share-based payment expenses are allocated to capital. Caledonia's share-based compensation is directly linked to investment performance and is therefore viewed as an expense against gains on investments.

Revenue performance

Total comprehensive income was £30.9m (2024: £40.5m), a decrease of £9.6m, driven by a £5.7m reduction in investment income from non-consolidated intra-group entities, £2.9m of non-recurring other expenses which includes professional fees in relation to the Rule 9 Waiver announced in November 2024, offset by higher net finance income.

Investment income in the year totalled £43.7m, £3.4m lower than the prior year. Income from the Public Companies pool remained stable at £21.8m (2024: £21.8m). Investment income from the Private Capital pool was £17.5m, £4.2m lower than the prior year which included a pre-completion dividend of £5.6m from the sale of 7IM. Investment income from the Funds pool was £4.4m (2024: £3.6m).

Investment income from other investments totalled £9.0m representing a distribution paid by an intra-group non-consolidated entity from trading reserves.

The company's revenue management expenses were £3.0m higher than last year at £25.9m (2024: £22.9m), reflecting higher personnel expenses of £2.5m, largely due to an increase in the average number of employees. There was also an increase in other costs, driven by legal, professional and communication expenditure, as well as an increase in non-recoverable indirect taxes.

Ongoing charges

Our ongoing charges ratio for the year was 0.87% (2024: 0.81%). The ongoing charges ratio is calculated on an industry standard basis, comprising published management expenses over the monthly average net assets.

Capital performance

Total comprehensive income was £36.0m (2024: £162.9m). The movement compared to last year is predominantly due to the lower levels of capital gains achieved from our investments.

Net fair value gains from the portfolio were £50.2m (2024: £185.3m), and together with portfolio investment income, as described above, of £43.7m (2024: £47.1m) generated a total return of £93.9m (2024: £232.4m), or 3.5%. Foreign exchange detracted from performance, with 53% of our NAV denominated in US dollars, predominantly the 2.2% strengthening of Sterling against the US dollar resulted in a £42.2m loss across our investment pools.

There was a reduction of £1.3m on property (2024: £3.9m reduction) reflecting higher yields on commercial properties.

The company’s capital management expenses relating to performance awards were £5.8m (2024: £8.3m). Transaction costs of £0.3m (2024: £0.1m) were incurred, mainly linked to due diligence work on new private equity and fund investments.

Financial review (continued)

Valuation

The company maintains a considered valuation approach to all investments, applying caution in exercising judgement and making the necessary estimates.

All listed investments are valued based on the closing bid price on the relevant exchange as at 31 March 2025. Private Capital investments are valued biannually, principally on a normalised EBITDA/market multiple basis, in line with the latest IPEV guidelines. Our holding in Cobepa is derived from the valuation it prepares. The Funds pool valuations are based on the most recent valuations provided by the fund managers, subject to cash movements from the valuation date. Within our Funds pool, we also reviewed the underlying valuation methodologies adopted by our fund managers and were satisfied that the techniques utilised were appropriate. The NAV of the Funds pool comprised 1.3% based on valuations dated 31 March 2025, 1.6% dated 28 February 2025, 67.0% dated 31 December 2024, 30.0%, mostly funds of funds holdings, dated 30 September 2024 and 0.1% at 30 June 2024. In addition, we reviewed the valuations to ensure any trends or company specific issues were appropriately reflected. This included a thorough review of the potential impact of trade tariffs.

The following table summarises the source of valuations across the portfolio, illustrating that 75% of the portfolio value is subject to either market prices or independent external valuation.

Pool assets by valuation method

Quoted price	35%
Fund NAV[1]	40%
Earnings	25%

1. Includes Private Capital investment in Cobepa

Dividend

We recognise that a reliable source of growing dividends is an important part of shareholder return over both the short and longer term and have extended our record of growing annual dividends to 58 consecutive years. We paid an interim dividend of 19.69p per share on 9 January 2025 and have proposed a final dividend of 53.91p per share. The total annual dividend for the year of 73.6p per share is an increase of 4.5% on last year.

Including the proposed final dividend, the dividends to be paid out of revenue earnings for the year ended 31 March 2025 total £39.0m, which is covered by net revenue for the year of £30.9m and the net cash inflow of £43.8m from our Funds pool.

As discussed in the Chair's and CEO's statements, we will be increasing the interim dividend to 50% of the prior year's total annual dividend, which will provide shareholders with a more balanced dividend payment profile and more predictable income stream.

Capital allocation

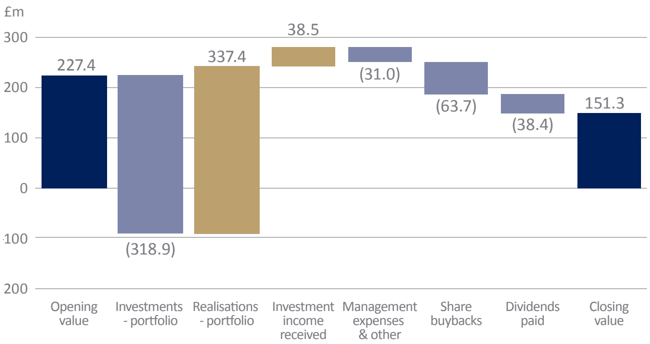
Prudent and disciplined management of our balance sheet is key to its continued strength and to ensure an efficient allocation of capital. To ensure that we maintain a balanced portfolio, each of our investment pools has a strategic allocation range. At 31 March 2025, all of our investment pools were within their strategic allocation range.

Alongside allocation to our investment strategies, we are committed to our dividend policy and, when appropriate, share buybacks. Following shareholder approval for an uncapped Rule 9 Waiver in December 2024, we increased our capacity for buybacks. Over the course of the year, we allocated £62.7m to share buybacks, purchasing and cancelling 1,729,061 shares at an average discount of 33.7%, resulting in a 59.2p accretion to NAV per share.

Cash flows, liquidity and facilities

During the year, we performed enhanced modelling and stress testing, which not only informed our capital allocation but also supported our credit facility renewal. In September 2024, the company entered into a new revolving credit facility of £325m with three banks on improved terms. The facility comprises £150m over a five-year term expiring in August 2029 and £175m over a three year term expiring in August 2027. The facility increases the available resources by £75m and provides the company with enhanced liquidity and flexibility to support long term investment.

Movement in net cash £m



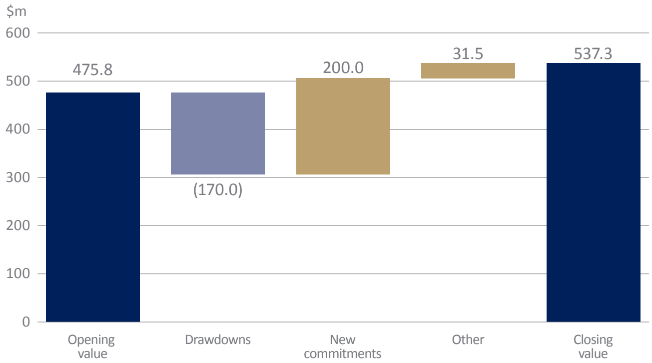
At 31 March 2025, total liquidity of cash and undrawn facilities was £476.3m, comprising of £151.3m of cash and £325m of undrawn facility. Our net investment cashflows were an inflow of £18.5m. Investment into our portfolio totalled £318.9m. Realisations from our portfolio totalled £337.4m.

After investment income, management expenses, dividend payments to our shareholders and share buybacks, net cash outflow was £76.1m. At 31 March 2025 our net cash was £151.3m (31 March 2024: £227.4m).

Uncalled commitments

Our total uncalled commitments were £415.9m or US$537.3m (2024: £377.0m, US$475.8m), split 73% in North America and 27% Asia. During the year we committed US$200m (2024: US$59m).

Uncalled commitments US$m



Foreign exchange

62% of our net asset value is non-Sterling denominated. We do not hedge our foreign currency exposure. However, this risk is fully recognised by the business and considered carefully within our risk management framework.

Rob Memmott
Chief Financial Officer
19 May 2025

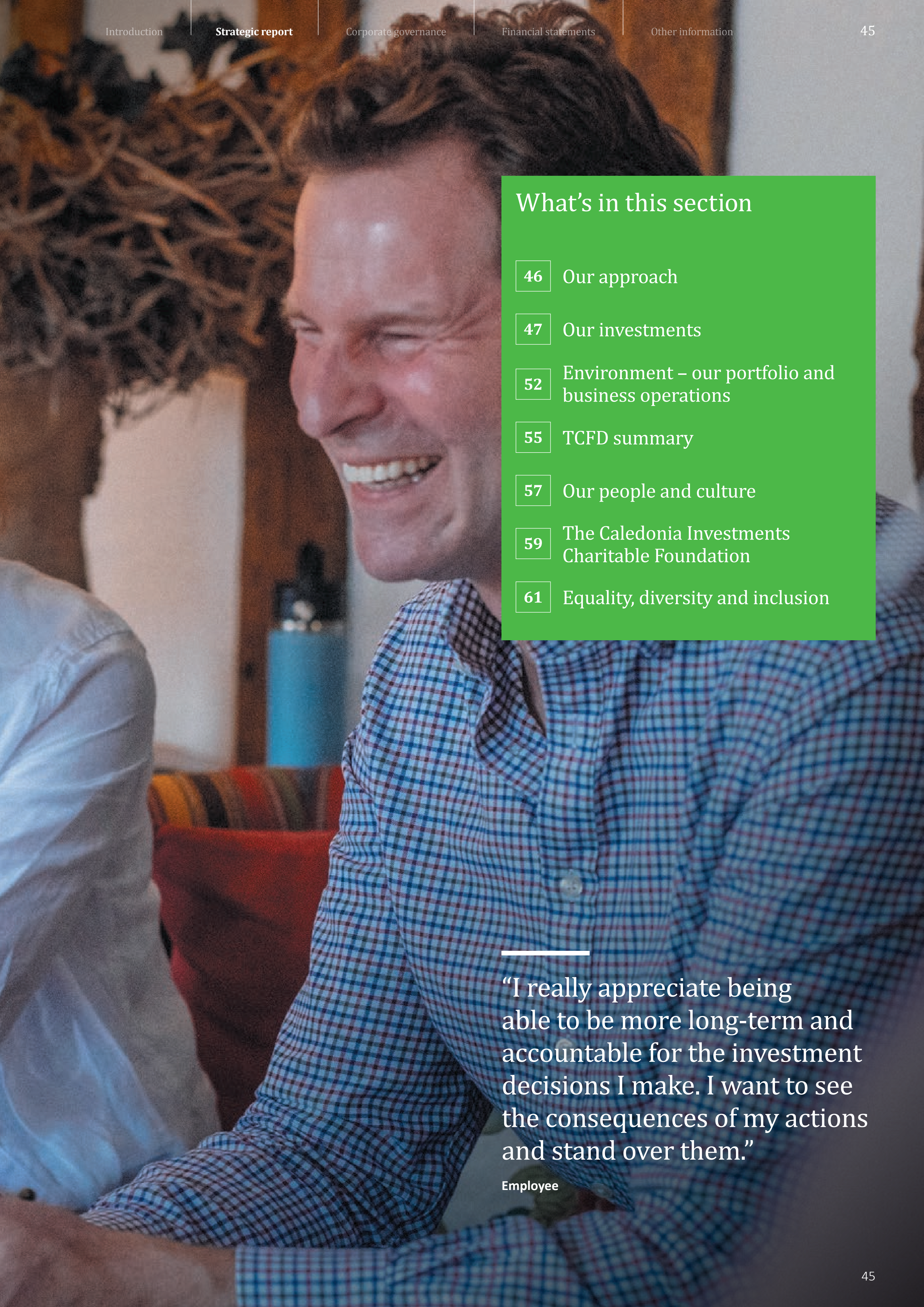
Sustainability

At Caledonia we are committed to building our business for the long term.

In this section, as an investment company, we outline how we approach our investment decisions responsibly, and manage our investment portfolio for today and the future.

A healthy and vibrant culture, built around a set of aligned values is fundamental to success. We also explore in this section how we manage our business operations, for the benefit of our employees and wider stakeholders.

Further information on our stakeholders in the Section 172 statement
Turn to page 80



What's in this section

"I really appreciate being able to be more long-term and accountable for the investment decisions I make. I want to see the consequences of my actions and stand over them."

Employee

Sustainability (continued)

Responsible investment

Our approach

At Caledonia we believe that responsible investment and business success go hand in hand. We are committed to building businesses for the long term and consider the ESG impact of the investments that we make.

Through proactive and constructive engagement with our portfolio, we are committed to fostering continuous improvement and driving positive change.

We expect to invest in businesses and funds which:

- grow, provide employment and generate economic benefit in an environmentally and socially responsible way, both during and after our ownership
- take a responsible approach towards the environment and society, based on good governance practices.

Responsible Investment/Responsible Corporate Working Group

Chaired by our Chief Executive Officer, the Responsible Investment/Responsible Corporate Working Group (‘RI/RC Working Group’) advises and assists in the development and implementation of Caledonia's approach to sustainability matters, including climate-related issues. The group has met regularly throughout the year.

A review of our approach and progress across each investment pool, alongside our overall business operations for the year ended 31 March 2025 can be found on pages 47 to 55.

Members

CEO (Chair)	Senior members of –	Other key corporate managers
Chief Financial Officer	Public Companies	
Company Secretary	Private Capital	
	Funds	

Function

1.	2.	3.	4.
Advises and assists in the continued development and implementation of our approach to ESG matters across the business	Seeks to ensure that ESG matters are appropriately factored into decision-making processes	Continues to develop understanding of climate-related matters	Supports the development of our reporting, particularly on climate-related matters

Our investments – Public Companies

We aim to invest in businesses which we believe are of high quality and have durable business models that enable long-term compounding.

Our extensive due-diligence process ensures that selection risk is managed by analysing numerous characteristics for each company and then, through ownership, our monitoring and engagement continues to ensure sustainability is embedded in our portfolio management process.

Our approach means we do not typically invest in capital intensive businesses or companies directly involved in the extraction and production of coal, oil or natural gas.

Further information on Public Companies – climate change metrics and targets
Turn to page 54

In line with our selective, quality-driven investment approach:

- we exercise our voting rights judiciously, ensuring that we cast votes on all our holdings ahead of shareholder meetings
- while we generally vote in support of management's recommendations, we will abstain or vote against proposals that we believe do not serve the best interests of our shareholders
- we will use influence through engagement and voting to encourage companies to proactively plan for and demonstrate the measures they have implemented to address climate risks and opportunities.

Sustainability (continued)

Our investments – Private Capital

We look to invest in established businesses with strong financial metrics operating in markets that present attractive opportunities for growth. Our long-term approach to working with our portfolio companies aligns with our responsible investment strategy throughout the investment cycle – from origination, ownership and exit. Working closely to support the management teams of portfolio companies, we look to:

- elevate corporate governance standards through the appointment of seasoned, non-executive chairs and by establishing audit and remuneration committees
- embed our team in non-executive roles, fostering close partnerships with management to drive performance whilst managing risk
- hold regular formal and informal meetings with management that encompass a wide range of topics, including ESG policies, and performance metrics that are reviewed annually
- actively assess and manage their social and environmental impacts, fostering responsible stewardship of their businesses
- encourage investment in technologies to improve energy efficiency and support a successful transition to a low-carbon future.

Progress during the year

- Climate risks and opportunities identified for all portfolio company investments
- Climate risk aggregation model and processes formally established
- Reporting system tracking company ESG policies and KPIs
- Reporting Scope 1 and Scope 2 emissions for the majority of the Private Capital's pool net asset value

Our investments – Funds

We invest in funds operating in North America and Asia with a bias towards lower mid-market buyouts. The pool provides attractive diversification, investing in 80 funds managed by 45 managers with an underlying portfolio of over 600 companies, across a range of sectors.

- We expect our fund managers to consider all factors including ESG considerations, when seeking to optimise returns while effectively managing risk.
- We will encourage our fund managers to consider climate change factors in their selection criteria, both in terms of identifying potential risks and capitalising on emerging opportunities, and to explore initiatives that help reduce emissions within the underlying portfolio.

Progress during the year

- Third-party training completed with a focus on evolving market practice surrounding ESG matters in fund documentation alongside ESG focused training with the Institutional Limited Partners Association
- Use of the ESG Data Convergence Initiative ('EDCI') as a benchmark with our underlying managers, to identify areas for improvement towards greater consistency in data reporting
- ESG related questionnaire embedded into the due diligence process for new funds
- Initial analysis completed on the weighted average carbon intensity for the Funds pool, using estimation factors derived from public markets proxy data

Working with our portfolio – The Butcombe Group

BUTCOMBE
GROUP

The Butcombe Group is a high-quality premium pub, brewing and drinks business that extends all the way from London through the South West English countryside across into the Channel Islands, employing over 1,900 people.

The business has been in Caledonia's portfolio since 2016. We continue to work closely with Butcombe's management team to support its long term ESG strategy. The CEO, Jonathan Lawson, has an ambition to operate and grow the business in an inclusive and sustainable manner to deliver a positive impact on regional and local communities and their environment.

Butcombe's ESG strategy 'Our Ambition, Your Future' is focused on three pillars, as detailed on pages 50 and 51, and has ambition to be carbon neutral by 2030.

Sustainability (continued)

OUR AMBITION, YOUR FUTURE

OUR WHY

We want to deliver the best experience for all our customers with outstanding service and award-winning food and drink. We will ***raise the spirits*** and through innovating and ***setting the bar high***, we will stay ahead of the competition and be ***talk of the town***. We are passionate about building great teams who work together, we do everything ***from the heart.***

OUR AMBITION

To operate and grow our business in an inclusive and sustainable manner which has a positive impact on regional and local communities and their environments.

WE LOVE LOCAL

EMBRACING TECHNOLOGY AND INNOVATION

ENABLE COLLEAGUES, DRIVE POSITIVE CHANGE

AND TO BE CARBON NEUTRAL BY 2030

BUTCOMBE GROUP

WE LOVE LOCAL

Our ethos is simple; source quality produce and products that are sustainable, traceable and local, wherever possible.

We want to know where every ingredient has come from. We want to treat ingredients with the respect they deserve, and do our bit to reduce food waste through the skill of our chefs and training.

What have we achieved?

Field to Fork approach: Working with high quality and local suppliers that adopt high welfare standards to reduce the number of deliveries and miles travelled

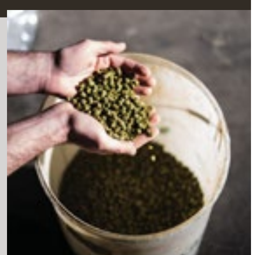
We work with local farmers to recycle the spent grain from our brewing process - the grain is fed to cattle that ultimately produce the cheese we use in our managed pubs

We brew the beer, we sell the beer: Over half of the beer sold in our managed pubs is produced by us in our own breweries, helping us to reduce beer miles

Partnering with Bramley products, an environmentally friendly and sustainable toiletries company

Supporting local initiatives such as used cooking oil collection in Jersey, Healing Waves and Sunflower Project menu donations in CI

We always recruit locally where possible, through open day initiatives and engagement with local colleges and apprenticeships



What are our plans?

As the estate grows, we will continue to innovate our drinks offering and develop more relationships with local suppliers.

Continue to promote the stories of local food and drink producers, farmers and fishermen through our menus and marketing material

Where possible, develop kitchen garden locations across our estate

Continue to support and build new relationships with local charities, sports clubs and groups local to our pubs, to allow us to become a hub for each individual community, culminating in our annual Community Week.

Accreditation and mark of local excellence schemes including 'Genuine Jersey' leading out on promotion and use of Jersey produce and we intend to enhance our locally sourced produce on both Jersey and Guernsey

BUTCOMBE GROUP

EMBRACING TECHNOLOGY AND INNOVATION

We are a nimble business that embraces change and utilises technology and innovation to improve our business performance. By increasing our operational efficiency, we will reduce our energy usage and waste to the benefit of the enviroment.

What have we achieved?

Solar panels have been installed at our distribution centre and will generate up to 58% of the depot's electricity going forwards

Electric car charging points have been installed at 5 of our managed pubs, helping our customers to reduce their emissions

All LPG forklifts have been replaced in our depot with electric equivalents, reducing emissions and utilising self-generated, clean energy

Our trade effluent is now transferred to a biogas generator which more than offsets the site's consumption of gas

Our lightweight glass bottles contain 10% less glass and are 70% recycled. The plastic shrink wrap is made from 50% recycled plastic

We shred and bale the cardboard received on-site to recycle as packaging for our online deliveries

We measure, monitor and target waste reduction in our sites and our recycling rates are in excess of 63%

What are our plans?

We continue to explore further opportunities for solar panels at our brewery and across our pub estate

We are trialling electrification of our delivery fleet to reduce fuel emissions in the future

A further 15 managed sites will install electric car charging points by the end of 2025. We also intend to install car charging points for employees at our depot and breweries

We are in dialogue with our glass suppliers to make our recycling processes more efficient

We are planning CO2 capture in the future to reduce waste and be CO2 self sufficient

BUTCOMBE GROUP

ENABLING COLLEAGUES, DRIVE POSITIVE CHANGE

BUTCOMBE GROUP

Focusing on our most important asset – our people – is at the centre of our strategy. All our colleagues are as individual as our pubs with no two being the same and we continue to invest in training and development for all colleagues, ranging from wine champions to apprenticeships, and our very own internal learning management system.

What have we achieved?

World's Happiest Workplaces AWARD WINNER

We invest in the Burnt Chef and Employee Assistance Programmes to support the mental and physical well-being of all our colleagues

Our colleagues have the opportunity to grow and develop in our business. Everyone will receive mandatory training applicable to their role and continued investment in our Butcombe Academy management training programme

We have established an internal network to offer support, guidance & mentors to women in the business to increase female representation in senior roles. We are proud that 47% of colleagues are now female

We launched Our Commitment to ensure we have a fully inclusive and supported culture and a zero tolerance for any form of harassment.

We regularly run employee surveys and have been recognised as one of the happiest workplaces

We have introduced enhancements to our maternity leave and a new policy to support returning to the work after a significant life event

We have over 100 colleagues as trained trainers throughout the business

We have trained mental health first aiders across the teams, and built mental health awareness training into all of our management apprenticeships

We prioritise employee wellbeing and offer mental wellbeing support and financial wellbeing advice and guidance

What are our plans?

All our managers will be trained in how to support the well-being of our colleagues and support our ED and I agenda

We will provide development opportunities aiming to develop 80% of our new managers internally through our Butcombe Academy programmes and supported apprenticeships

We will ensure apprenticeship opportunities are at the forefront of our Learning and Development strategy

We are working towards equal representation across management roles. Currently 31% of our pub management colleagues are female

We will engage our pub teams in creating an environment for their communities that helps tackle loneliness and supports their communities well-being where their pub is 'the place to go to feel at home and welcome'

Sustainability (continued)

Environment

Our portfolio, the climate and transition to net zero

At Caledonia, we are committed to building a sustainable future that underpins robust, long term investment performance for our shareholders. We recognise that our principal environmental impact arises primarily from the companies and funds within our portfolio.

With this in mind, we have set an expectation for the businesses we invest in to target net zero emissions (Scope 1 and Scope 2, market-based) by 2050. We understand that the pace at which these targets are met will vary across our portfolio; as risks and opportunities arise from evolving regulatory frameworks, shifts in consumer preferences, or increasing pressure to curb carbon emissions and address wider environmental issues.

We actively engage with our underlying portfolio companies and fund managers to evaluate the robustness and transparency of their carbon emissions data. We continue to enhance our monitoring and reporting systems to enable us to track progress on this journey towards a low-carbon future and we anticipate that many will achieve this target more swiftly.

Our business, the climate and transition to net zero

Our business operations are consolidated within a single central London office. Whilst our operational footprint is modest in comparison to our broader investment activities, we are committed to operating our business in an efficient manner and to reducing our climate impact where feasible. We are seeking to achieve net zero emissions for Scope 1 and Scope 2 (market-based) emissions by 2030.

To reach this target, we are pursuing several initiatives, including:

- maintaining our commitment to sourcing all electricity from renewable suppliers
- enhancing energy efficiency across lighting, cooling systems and IT equipment
- gradually reducing, with the goal of ultimately eliminating the use of gas for heating.

In 2021, our switch to a renewable energy provider markedly reduced our market-based Scope 2 emissions. We continue to recycle nearly all waste and ensure that wastewater is safely returned to the sewer system. The resulting emissions from water and waste processes are categorised under 'other' Scope 3 emissions and are considered immaterial.

It is worth noting that electricity consumption has risen since 2020, mainly due to the return of colleagues to the office after the Covid-19 pandemic and, more recently, our decision to operate 24-hour security for enhanced safety.

In 2023, we engaged an external provider to conduct an Energy Savings Opportunity Scheme audit of our office energy usage. This provided us with a number of recommendations which we have implemented. Looking ahead, our transition strategy will be to explore the implementation of innovative, low-carbon alternatives to replace our traditional gas boiler heating system.

Travel

Most of our colleagues commute to our office via public transport. We actively encourage sustainable travel through our cycle-to-work programme, supported by secure bicycle storage along with changing and shower facilities. Our meeting rooms are equipped with modern audiovisual and teleconferencing facilities, reducing the need for travel where appropriate.

Our Scope 3 emissions primarily relate to international business travel. Since 2020, the net asset value of our portfolio has increased by 64% and the proportion of our overseas investments has almost doubled. Our Public Companies and Funds investment teams continue to deepen their due-diligence, monitoring, governance and stewardship activities against a background of continuing macroeconomic and geopolitical uncertainty. We remain committed to managing our business travel in an informed and responsible manner and will continue to explore ways in which we can reduce these emissions over the medium term.

Climate change metrics and targets including greenhouse gas emissions

The data in the following tables has been prepared in accordance with the regulations, The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implemented the Government's policy on Streamlined Energy and Carbon Reporting ('SECR').

Emissions data		Tonnes CO_2e					
Scope	Source of GHG emissions – year to 31 March	2020	2021	2022	2023	2024	2025
Scope 1	Combustion of fuel & facilities operation	24	19	17	16	14	14
(direct emissions)	including company car use (sold in April 2022)			4	-	-	-
Scope 2	Electricity (location-based)	57	47	45	52	59	61
(indirect emissions)	Electricity (market-based)	57	47	-	-	-	-
Scopes 1 and 2 - location-based		**81**	**66**	**66**	**68**	**72**	**75**
Scopes 1 and 2 - market-based		**81**	**66**	**21**	**15**	**14**	**14**
Scope 3	Business travel	371	7	94	243	375	825
(indirect emissions)	Other	-	-	-	1	1	-
Total – location-based		**452**	**73**	**160**	**312**	**448**	**900**
Total – market-based		**452**	**73**	**115**	**259**	**389**	**839**
KPI – location-based	Total emissions per average number of employees	**7.5**	**1.2**	**2.6**	**5**	**6.3**	**11.8**
KPI – market-based	Total emissions per average number of employees	**7.5**	**1.2**	**1.9**	**4.2**	**5.5**	**11.0**
Per average number of employees		**60**	**61**	**61**	**62**	**71**	**76**

Notes:
1. These emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard guidelines using UK Government GHG Conversion Factors for Company Reporting.
2. Caledonia consumes all its water from the mains which we understand is sourced from high stressed areas, with all its waste water currently being returned to the sewer. The resultant CO_2 emissions from its use of water are <1 tonne.
3. Caledonia has a mix of recycled and general waste; the related Scope 3 GHG emission data is included under 'Other' in the table above.
4. Location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). The market-based method reflects emissions from 100% renewable sourced electricity that we have chosen to purchase.
5. 100% of our reported emissions are in the UK, involving business travel primarily departing from or arriving in the UK. Accordingly, this table does not include a column indicating the yearly UK proportion of global emissions.
6. The sources of GHG emissions shown in the table above are from the companies included in the consolidated financial statements. Under the SECR regime we are not required to report any emissions from companies that are not included in our consolidated financial statements.
7. Caledonia does not release any hazardous air pollutants. Caledonia only has material hazardous waste in the form of batteries and print toner, both of which are responsibly recycled.

Other metrics	Unit	2020	2021	2022	2023	2024	2025
Electricity usage	KWh(k)	224	199	214	270	286	298
Gas usage	KWh(k)	100	93	91	76	67	68
Water consumption	m^3	Data not available but will be tracked going forward			798	1,166	1,085
General mixed waste	tonnes				-	-	-
Mixed recycling	tonnes				-	-	-
WEEE waste	tonnes				-	-	-
Confidential waste	tonnes				2	2	3
Waste generation	tonnes				2	2	3
Waste recycled	%				99%	99%	100%

Sustainability (continued)

Our investment portfolio

Public Companies – climate change metrics and targets

We continue to monitor and manage climate change transition risks within our public companies portfolio. To this end, we expect that all businesses develop and implement robust strategies to achieve net zero Scope 1 and Scope 2 emissions by 2050, or sooner if possible.

For our TCFD reporting, we use the MSCI World Index as a benchmark owing to its similar sector exposure to the companies within our Public Companies pool. The table below presents the primary metrics we use to quantify the Scope 1 and Scope 2 greenhouse gas (GHG) emissions of this pool, which form part of the aggregate emissions linked to our investment portfolio.

The Public Companies pool demonstrates both a significantly lower total carbon footprint and a reduced weighted average carbon intensity ('WACI') compared with the benchmark. This is notable even within traditionally high-emitting sectors such as materials, utilities and industrials.

The data we draw on from MSCI is subject to a reporting lag. The figures for 2024 primarily cover the period from 1 June 2023 to 31 May 2024, while the comparative data largely reflects the period from 1 June 2022 to 31 May 2023.

Our Public Companies investments have seen a 33% decrease in total carbon emissions over the past year. This is predominantly due to the sale of one holding that was previously one of the highest emitters in the portfolio.

Latest annual reported data	Scope	Portfolio (2025)	Benchmark (2025)	Variance vs benchmark	Portfolio (2024)	Units
Total carbon emissions	1 and 2	12,956	42,840	-70%	19,345	Tonnes CO_2e
Carbon footprint	1 and 2	13	43	-69%	16	Tonnes CO_2e/\$m invested
WACI	1 and 2	51	97	-47%	60	Tonnes CO_2e/\$m sales

Carbon emissions data for our public company investments was obtained from the MSCI One platform. MSCI collects the data from publicly available sources, including annual reports, the Carbon Disclosure Project ('CDP') and government databases. All carbon emissions data collected is classified per the GHG Protocol methodology to enable aggregation and comparability across investee companies and sectors. We have not sought to verify this data and assume no responsibility for its accuracy or completeness.

The following table shows other key climate metrics we use to monitor companies in our Public Companies pool that are managing their climate risk exposure and have a decarbonisation plan.

Other metrics	Portfolio (2025)	Portfolio (2024)
Companies targeting net zero for Scopes 1 and 2 by 2050	82%	93%
Companies with top quartile carbon management score	60%	68%
Green revenue exposure	5%	6%

The majority of the companies in our Public Companies pool have plans to achieve net zero emissions by 2050 or sooner, giving us comfort that they are aligned to our goal. Those companies that have yet to establish net zero targets contribute c.18% of the pool's total carbon emissions and, based on our knowledge and engagement of the companies and their commitment to good corporate governance, we believe they will establish appropriate targets.

The majority (60%) of the companies have a top quartile carbon management score, indicating that they have the capability and resources to manage their climate risks and opportunities. We will continue to monitor progress on these metrics.

Private Capital – climate change metrics and targets

This is the first year we are providing emissions data for our Private Capital pool investments. Due to the diverse nature of these investments, emissions may vary significantly based on the types of businesses we own, as well as any acquisitions or divestments within a given year. These variations are not only driven by changes in our portfolio composition but also by improvements in data quality. As our portfolio companies refine their reporting processes and collect more comprehensive emissions data, we expect that reported emissions may increase, reflecting greater transparency and data availability.

Latest annual reported data[1]	Scope	Portfolio (2025)	Units
Total carbon emissions[2]	1 and 2	6,742.7	Tonnes CO_2e
Carbon footprint	1 and 2	10.0	Tonnes CO_2e/£m invested
WACI	1 and 2	10.0	Tonnes CO_2e/£m sales

1. Since each of our portfolio companies has a different financial year-end, we have included the most recent data available.
2. The majority (78% of net asset value) of our Private Capital pool have provided emissions data, with most reporting the majority or all of their Scope 1 and Scope 2 emissions.

Task Force on Climate-Related Financial Disclosures ('TCFD')

We continue to recognise the importance of clearly communicating both financial and non-financial ESG performance to our stakeholders.

This is the third year we have produced a separate TCFD report. The following table, which should be read in conjunction with our TCFD report, summarises our response to each of the TCFD recommendations, and explains how we incorporate climate-related risks and opportunities into each of the four TCFD pillars of governance, strategy, risk management and metrics and targets.

As required by Listing Rule 6.6.6R (8), we consider these climate-related disclosures to be consistent with the TCFD recommendations and recommended disclosures, other than the completion of scenario analysis (strategy pillar disclosure (c)) and the development of metrics and targets for all of our investment assets (metrics and targets pillar disclosures (a), (b) and (c)).

We have fully addressed the assets within our Public Companies pool. We have also increased our disclosure for our Private Capital pool. Over time we will seek to develop our metrics and methodology further as the quality of data improves and more information is available for our Funds pool.

TCFD report

Our third standalone TCFD report sets out our progress towards meeting all TCFD recommendations and can be found at www.caledonia.com

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

Read more in our TCFD report.

The board is collectively responsible for Caledonia's success. It sets the company's strategy, ensures that the necessary financial and human resources are in place to enable the company to meet its objectives, and reviews management performance.

Caledonia has a well-defined governance framework, appropriate for a relatively small business, based on delegated authority. The board has delegated overall responsibility for the delivery of the strategy to the CEO. Our governance and reporting frameworks enable the board to have oversight of the climate-related risks and opportunities which could impact our business.

The board conducts deep-dive reviews of the activity and performance of each of Caledonia's three investment pools annually. To provide enhanced visibility and monitor progress, an assessment of climate-related risks and opportunities, together with appropriate metrics, is incorporated into reporting.

The remuneration structure for our executive directors includes two variable pay elements:

a. short-term incentive (bonus) to reward performance on an annual basis against key financial and personal objectives.

b. long-term incentive to motivate the delivery of long-term shareholder value.

The structure of the annual bonus includes an assessment of delivery against personal objectives, which include elements related to responsible investment and being a responsible corporate.

Sustainability (continued)

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

Read more in our TCFD report.

Our strategic aim is to achieve capital appreciation and dividend growth for our shareholders over the long term through disciplined investment and careful stewardship of the assets in our portfolio. We recognise our responsibility to support the transition to a lower carbon economy. This is why we have set an expectation that the businesses in which we invest should target net zero emissions by 2050 (Scope 1 and Scope 2, market-based).

Our investment portfolio is well-diversified across the pools, with limited direct exposure to carbon-intensive sectors such as oil and gas and industrials.

Each year we carefully select a small number of new investments in proven, well-managed and sustainable businesses across a wide range of industry sectors and geographies. We seek to avoid investment in businesses that cause material harm to the environment unless they have a clear strategy to reduce their impact over time.

We have considered both physical and transition risks over three time horizons. The availability of robust data and quality information is a prerequisite to effective analysis. We have used the most recent data and information for the constituent businesses in the Public Companies pool using MSCI's One platform. This data has been used to support a scenario analysis exercise, which has provided valuable insights to confirm the resilience of the pool to both physical and transition risks, under various climate scenarios.

The scope of the analysis for the Private Capital pool covers all eight investee companies in the portfolio as at 31 March 2025. We have implemented a data collection framework to measure company specific key performance indicators and an annual survey has been established to enable year-on-year progression to be measured on carbon emissions and other related metrics. The analysis is qualitative in nature. Unlike the Public Companies pool, there is no distinction between the methodology applied for physical and transition risks. The scenario analysis was tailored to the characteristics of each company in the portfolio and was performed with reference to its sector and geographic footprint.

We anticipate that similar information will be developed for the constituents of the Funds pool in the coming years, to broaden our scenario analysis to cover a greater proportion of our investment portfolio.

Our business operations have a modest carbon footprint when compared with the impact of our investment portfolio, with all our employees operating from a single location in central London. We remain committed to minimising the impact of our own operations on the environment and mitigating the risks posed by climate change. We are seeking to achieve net zero emissions by 2030 (Scope 1 and Scope 2, market-based).

Risk management

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Read more in our TCFD report.

The corporate approach to risk management is covered on pages 63 to 67 of this report.

Risks are assessed and managed in accordance with our corporate risk management framework which includes ESG and climate change as one of the principal risks.

Assessments of climate-related risks continue to be incorporated into our strategy and, in discharging its responsibilities, the board is ultimately accountable for the oversight of climate-related risks that could impact the business. Non-executive director oversight of the risk management framework and associated processes is exercised through the Audit and Risk Committee ('ARC').

The Chief Financial Officer has responsibility for ensuring that a risk management framework is in place and each area of the business is responsible for using this to identify, assess and report on their risks and controls.

Investment managers identify climate-related risks in the portfolios they manage and line management is supplemented by key support functions such as Finance, Tax, Human Resources, Facilities Management and Company Secretarial with further oversight from the Operational Risk Committee.

Risks within the companies and funds in which we invest are identified through ongoing research using in-house expertise and external data, together with reporting from investee businesses. Our business operations use third party resources to ensure a good practice approach is taken to identifying risks and addressing them in a timely manner.

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Read more in our TCFD report.

We are continuing to improve our analysis and disclose further metrics and targets where we consider these to be material. For the first time this year, in addition to emissions data for our Public Companies pool and our own business operations, we are reporting Scope 1 and Scope 2 emissions for the majority of the Private Capital pool's net asset value.

Information on specific metrics and targets are provided in the TCFD report. In line with SECR requirements, we have also listed our GHG data.

Sustainability (continued)

Our people and culture

Centred around a collection of values that shape our approach to every aspect of investing, our team is key to delivering long-term performance.

Employee engagement

At Caledonia we are committed to building our business for the long term. We seek to create a thriving workplace culture – built on shared, consistent values and purpose that helps us to attract, retain and develop exceptional people. This year we completed our second employee engagement survey to help us understand how we can continue to improve our working environment.

We were delighted to receive a 92% response rate to the anonymised survey and that 96% of those who responded recommended Caledonia as a "great place to work". We benchmark our analysis against businesses within the UK's financial services sector and were pleased that Caledonia is once again in the top quartile for both participation and engagement.

Feedback from colleagues helps us to shape the future direction of our business. Since our inaugural engagement survey in 2023 we have been working on a number of initiatives to help ensure that Caledonia remains a great place to work in the years ahead.

We are committed to creating an inclusive environment where our employees can develop and contribute fully, underpinned by good remuneration packages, favourable leave policies and health and wellbeing support, alongside training and development to support progression. Further information on our remuneration policy can be found in the Directors' remuneration report on pages 96 to 114.

"We're very lucky with the environment in which we work, the resources that are made available to us and the colleagues we work amongst. Caledonia has a great culture."

Employee,
Staff engagement survey March 2025

Sustainability (continued)

Intern programme

At Caledonia we are committed to investing time to plan for success in the future, to sow the seeds that will flourish for generations to come.

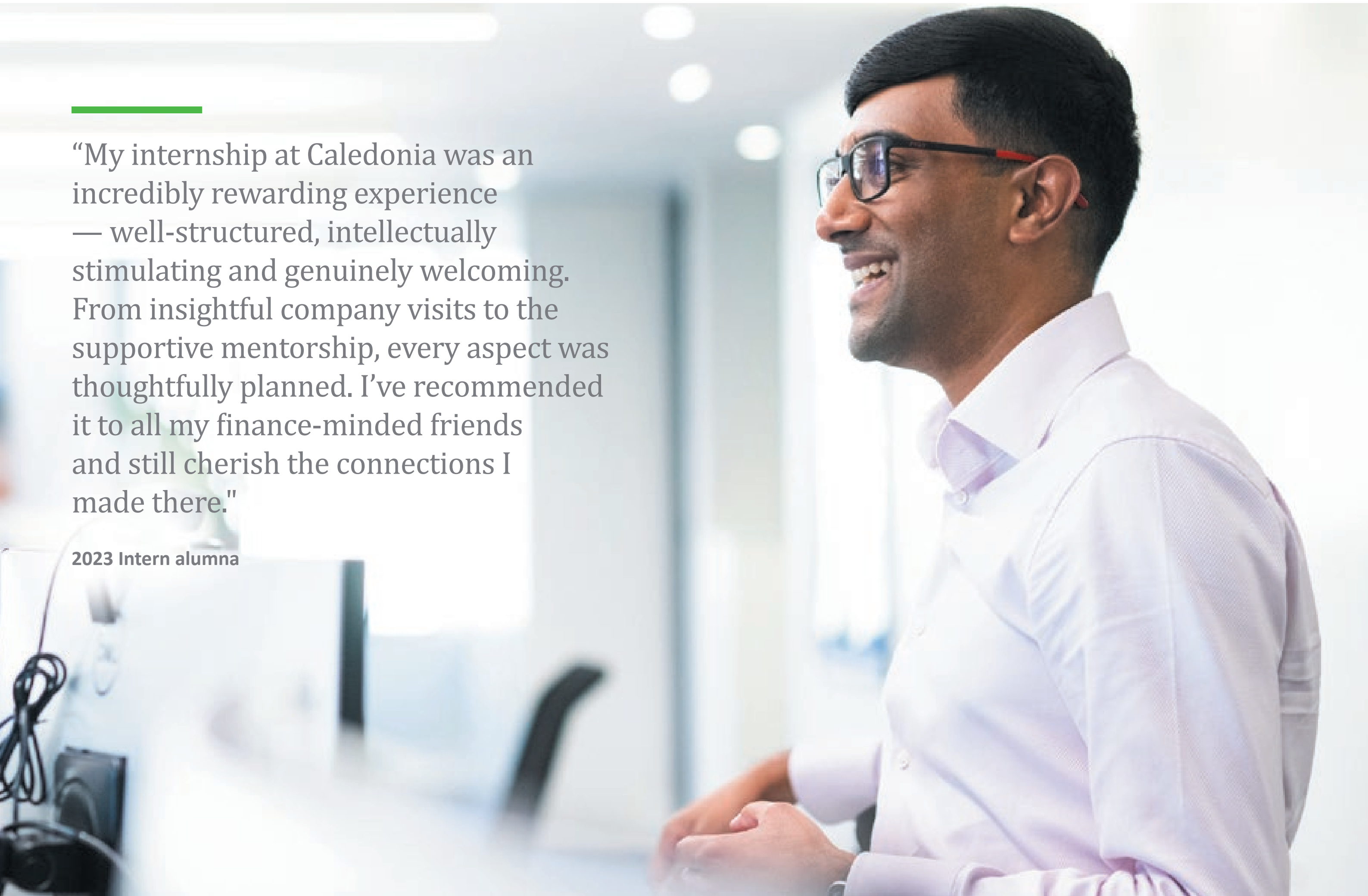
Every June and July we welcome a cohort of successful applicants who we believe will benefit the most from the intern programme.

Led by an independent facilitator but with involvement from across Caledonia, the interns experience insight into the investment management industry, benefitting from a detailed programme. This includes building softer skills in a workplace environment, as well as learning from our investment teams on how and why we construct our long-term investment approach. The programme culminates in the group working in small teams to present their 'Dragons Den' style investment recommendations.

Ahead of the programme, each intern is assigned a mentor from the Caledonia team. The role of the mentor plays a key part in helping the intern through the programme. As interns embark on their chosen careers, they can continue to maintain a lasting relationship with Caledonia, creating an important network of talent for the future.

"My experience at Caledonia exceeded all expectations. The culture of openness and support created learning opportunities that extended far beyond the designated workshops, and being part of an intern class with such diverse backgrounds made the ongoing collaboration all the more rewarding. It was an invaluable experience, shaping me both personally and professionally."

2024 Intern alumna



"My internship at Caledonia was an incredibly rewarding experience — well-structured, intellectually stimulating and genuinely welcoming. From insightful company visits to the supportive mentorship, every aspect was thoughtfully planned. I've recommended it to all my finance-minded friends and still cherish the connections I made there."

2023 Intern alumna

The Caledonia Investments Charitable Foundation

The company made a grant of £300,000 to The Caledonia Investments Charitable Foundation (the 'Foundation') during the year through which we are proud to support causes linked to Caledonia's history, values, culture and team.

The Foundation provides essential funding and support to many good causes each year and seeks to create a thriving legacy by supporting the development of a small number of charities through a multi-year donation programme.

Cornwall Community Foundation

The Foundation's multi-year awards seek to provide a catalyst for future development, enabling the charities to make a significant and lasting impact. Since 2021 the Cornwall Community Foundation ('CCF') has benefited from this support. CCF provides financial and non-financial support for community projects across Cornwall and the Isles of Scilly, investing in people and projects that will make a difference.

This year the Foundation has:

- provided funding to support an events officer to lead and develop the CCF's fundraising and events programmes
- provided financial assistance to support local charities and community projects that address issues relating to financial planning, debt management and financial education.

"We are incredibly grateful to the Caledonia Foundation's multi-year donation. We are already benefitting from the recruitment of an events officer, particularly at our recent gala dinner which raised over £150,000. This, combined with providing vital support, education and resources to those who need it most will transform the lives of many individuals and families across the county."

Susie Croft,
Philanthropy Director, Cornwall Community Foundation

Sustainability (continued)

Fundraising and volunteering

Alongside our support to the Foundation, we encourage our team to volunteer their time and raise funds for charities close to them. We provide our colleagues with up to two additional days of leave to support those causes that they feel passionately about.

This year, Henry Morris, a Director in our Public Companies pool, cycled 980 miles from Land's End to John O'Groats, sleeping under canvas in some of the most beautiful parts of the UK. With the support of the Foundation, he raised nearly £10k for The Outward Bound Trust.

The Foundation was also proud to support members of our Private Capital team to complete the Butcombe Ultra Marathon raising funds for Only A Pavement Away, a charity that supports people looking to rebuild their lives through employment opportunities in hospitality.

Equality, diversity and inclusion

At Caledonia, we believe that a diverse workforce creates the optimum environment in which our business will continue to thrive and grow.

Our recruitment and employment policies are compliant with relevant UK legislation. Recruitment, development and promotion are based on suitability for the role. We will not discriminate on the basis of gender, sexual orientation, marital status, pregnancy, gender reassignment, age, race, nationality, ethnicity, disability, or political or religious beliefs.

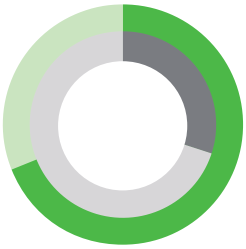
We are committed to increasing diversity and inclusion over time. We are mindful of the need for orderly succession planning and ensuring that an appropriate mix of skills and experience is maintained throughout our organisation, from the board to every operational level.

As at 31 March 2025, the gender distribution across the various levels of our business is as follows:

	Male number (%)		Female number (%)	
	2025	2024	2025	2024
Board	7 (64%)	7 (64%)	4 (36%)	4 (36%)
Senior managers	14 (50%)	15 (60%)	14 (50%)	10 (40%)
All employees (including board)	37 (44%)	38 (46%)	47 (56%)	44 (54%)

Caledonia operates a flatter management structure than is often found in many other companies and, for information, 60% (2024: 55%) of direct reports to members of our Investment Committee are female.

Investment and support employees 2025[1]

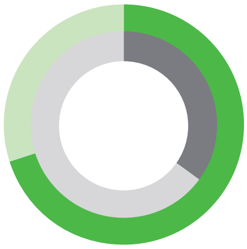


Investment employees	
Male	69%
Female	31%

Support employees	
Male	30%
Female	70%

1. Excluding non-executive directors

Investment and support employees 2024[1]



Investment employees	
Male	70%
Female	30%

Support employees	
Male	35%
Female	65%

In accordance with Listing Rule 6.6.6R (9) of the FCA's Listing Rules, the table below sets out details of the diversity of the individuals serving on the board and executive management as at 31 March 2025. Our executive management consists of members of our Investment Committee, being the most senior level of management. Data was obtained on a voluntary self-reported basis. The board met the ethnicity diversity target set out in LR 6.6.6R (9) (a) but not the two gender diversity targets. The targets were introduced in 2022 and, given the gradual change in board membership, it will take time to meet them.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	7	63.6%	4	6	85.7%
Women	4	36.4%	-	1	14.3%
Not specified/prefer not to say	-	-	-	-	-

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	10	90.9%	4	7	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	1	9.1%	-	-	-
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

Sustainability (continued)

Working environment

At Caledonia, we look to establish, nurture and maintain a culture of high standards in both behaviour and professional integrity. Our comprehensive policies are designed to safeguard employees against unlawful discrimination and to foster a working environment where fairness, consideration and respect are paramount.

Annual performance appraisals, through which employees may be set objectives and against which their achievements are assessed, are intended to ensure that employees have a clear view of their performance and to identify additional learning and development needs to help them meet their full potential.

Grievance procedure and whistleblowing

Our staff handbook clearly sets out Caledonia's formal grievance procedures, offering all colleagues a structured yet flexible framework to raise concerns, whether through formal channels or in a more informal manner.

In addition, there are established robust whistleblowing arrangements designed to provide a safe, confidential and impartial channel for reporting any potential misconduct in our business. These mechanisms enable employees to raise issues independently of their immediate line management, ensuring a culture of transparency and accountability. Responsibility for oversight of our whistleblowing procedure sits with the board.

Health and safety

At Caledonia, we are committed to continuously enhancing health and safety across our workplace, ensuring full compliance with all applicable legislation. While the nature of our business means that occupational risks remain low, we remain dedicated to providing a secure working environment through the supply of safe equipment and comprehensive, ongoing training. This proactive approach is designed to prevent accidents and mitigate any risks of work-related ill health.

Our detailed health and safety policies are outlined in our employee handbook, and staff are encouraged to undertake regular workstation assessments to identify and address any requirements.

For the year ended 31 March 2025 there were no incidents reported under RIDDOR ('Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013'), and no work-related accidents.

Risk management

Risk management is an integral part of the company's business model and embedded within its business operations. Caledonia's risk management framework seeks to ensure that the different parts of the group operate within strategic risk appetite parameters and that this is integrated with its governance and decision-making processes.

The board has overall responsibility for setting and monitoring the company's risk appetite.

The risk framework supports and informs business activity and decisions, managing risk through a set of integrated processes.

Board

Approve strategy, investment decisions and risk appetite

Assessment, management and reporting of principal risk categories

Strategic

Board review investment pool strategies & asset allocation

Investment

Investment Committee
- Investment strategy
- Investment decisions

Market

- Risks and sensitivities reviewed regularly
- Market & portfolio volatility reviews

Liquidity

- Detailed cash forecasting supported by scenario analysis
- Credit facility in place

Operational

- Oversight by Operational Risk Committee
- Robust systems and controls in place

ESG/climate change

- Implemented through RI/RC Working Group
- Sustainability criteria in investment decisions

The risk framework aligns with and supports business activities

Internal control assurance

Risk analysis & reporting

Identify
the range of risks we need to manage that are relevant to our business activities and strategy. The top-down risks that Caledonia is exposed to form our principal risks.

Report
key risk exposures, control assessments and actions for risks outside appetite. Detailed reporting to the Operational Risk Committee with aggregate dashboards to the Investment Committee and Audit and Risk Committee.

Measure
and assess the materiality and magnitude of the risks identified, and assign risk ratings to articulate both our risk profile and appetite position.

Monitor
the risk exposures, through regular risk reviews, analysis of incidents and scenario exercises, all of which could trigger a reassessment of the original rating.

Manage
the risks according to our rating and control assessments. The risk may not be accepted as assessed and need remedial actions (control strengthening) to bring it back within appetite.

Risk management (continued)

Risk governance, structure and responsibilities

Risk management and its governance is the responsibility of the board, with specific components delegated to the Audit and Risk Committee. The Executives are given the task of managing an effective and transparent process to ensure that current and emerging risks are identified, measured, managed, monitored and reported on. The board sets the risk appetite in line with the business model and strategy. This is communicated through the executive to all those with managerial responsibilities. The illustration below depicts the risk governance structure in place and the responsibilities of each committee.

Board

- The board sets the risk appetite in line with the business model and strategy
- Biannual investment pool reviews
- Approves material investments
- Opines on the internal control environment

Audit and Risk Committee

- Reviews principal risks and detailed assessments as required
- Monitors the effectiveness of the risk management framework
- Reviews the control assurance programme

Investment Committee

- Implements investment strategy
- Approves individual investments

Valuation Committee

- Reviews valuations for the company's investments
- Scrutiny and review proportionate to both the complexity of the portfolio and the degree of judgement involved
- Oversight from external audit

Operational Risk Committee

- Monitors key risks identified in the operational risk universe against risk appetite preferences
- Reviews detailed risk and control assessments and associated actions/ remediation

Risk management reporting

We manage, monitor and report on risk across two core risk types: investment and operational risks.

Investment and operational risk reports are considered by the Audit and Risk Committee at least biannually, with any major issues or changes arising from these reviews escalated to the board for further discussion.

The investment risk report focuses on investment portfolio risks arising from our investment strategy. Investment risk exposures are considered against parameters in place for asset allocation, performance, investment volatility, diversification, concentration, liquidity and currency exposure.

Operational risk reporting, including more detailed risk and control assessments, is reviewed by the Operational Risk Committee. It covers the entirety of the operational risk universe, including financial crime, legal and regulatory exposures, business operations, people and business continuity. Related risks, including cyber security, are closely monitored by the committee. Summary reporting, including selected detailed assessments, are included in Audit and Risk Committee reporting.

Risk Management Development

Risk framework components and their supporting processes evolve under a programme of continuous improvement. A more comprehensive risk and control assessment process was implemented during the year. The approach to operational risk appetite also evolved. These, and other developments, further strengthens the control assurance programme in advance of the FRC's updated requirements for risk and internal control, effective from April 2026.[1]

1. The Financial Reporting Council published an updated UK Corporate Governance Code in January 2024. From 1 April 2026, the board will be required to provide a declaration of the effectiveness of the material controls as at the balance sheet date (31 March 2027).

Principal Risks

The principal risks are those at the highest level in our risk universe. They have the potential to impact the delivery of our strategic objectives, threaten our business model, solvency or liquidity and damage our reputation.

The board and Audit and Risk Committee thoroughly assess these risks throughout the year and consider any changes or additions in light of the external environment (market, legal or regulatory changes) or following changes to our own business activities that might expose us to additional risks. Whilst external activity has heightened our exposure to some risks, no new current or emerging risks have been identified.

Overall, our key risks remain largely stable but with a heightened outlook for market risk given the continuing geopolitical uncertainty, and market volatility caused by the US approach to trade tariffs.

Operational risks are reviewed by the Operational Risk Committee, most recently in March 2025. Cyber risk remains Caledonia's most material operational risk exposure but one where there is an ongoing cycle of control review and enhancement to provide high levels of protection for our systems.

We have set out the six principal risks on pages 66 to 67, highlighting developments throughout the year and our assessment of their current rating alongside indicators reflecting current sentiment.

Risk Appetite Statements

Each year the Audit and Risk Committee and board review our stated appetite for taking on and managing our key risk exposures.

The statements reflecting our position at the end of March 2025 are noted below, with no material changes from the previous year.

Risk appetite statements

Strategic risk

The strategy of the business is to invest in equities, across a variety of asset classes, sectors and geographies. The nature of equity investing leads to a balance of risk and reward, leading to a measured risk appetite.

Liquidity risk

Having sufficient liquidity to meet both liabilities as they become due and fund investment opportunities is critical to our strategy and viability. There is no appetite for circumstances that would result in a lack of liquidity.

Market risk

As investors in equities, the business is automatically exposed to a number of market driven risks. Whilst our strategy and approach to risk aim to mitigate these risks they cannot fully remove them. The nature of equity investing leads to a balance of risk and reward, leading to a measured risk appetite in this area.

Investment risk

Individual investment decisions rely on judgement which can result in poor or untimely investments and divestments. To manage this the business operates a comprehensive diligence and review process ensuring investments are made carefully, balancing risk and reward, allowing our experts the time to analyse all aspects before committing capital or divesting. We have a very low appetite for non-compliance with our investment process.

Operational risk

We do not seek to take on operational risk but the key sources of this risk type are inherent within our business processes and operations. A material operational risk failure could harm our business and reputation, as such our overall appetite for any to crystallise is low. In certain critical areas, notably protecting our systems and data from cyber threats and ensuring compliance with applicable laws and regulations, we aim to reduce risk exposure to the lowest achievable level.

ESG & climate change

We continue to evolve the integration of ESG matters into our investment activity, this reflects a low tolerance for ESG risks that could impact our stakeholders, undermine our long-term sustainability objectives or damage our reputation.

Risk management (continued)

Principal risks	Mitigation and management	Key developments	Current risk status and movement in year to March 2025
Strategic Risks in relation to the appropriateness of the business model to deliver long-term growth in capital and income. Strategic risks include the allocation of capital between public and private equity, and in relation to geography, sector, currency, yield and liquidity.	The company's business model and strategy are reviewed periodically, against market conditions and target returns. The performance of the company and its key risks are monitored regularly by management and the board.	All pools operated within their strategic banding. The capital allocation model was further developed to support liquidity management, strengthening our resilience to financial market volatility. An uncapped Rule 9 waiver was successfully completed allowing the company to buy back shares. Investor relations activity has been developed introducing spotlight sessions for each of the investment pools. The Private Capital session in January was well received with Public Companies and Funds to follow.	MEDIUM ⟷
Investment Risks in respect of specific investment and realisation decisions. Investment risks include appropriate research and due diligence for new investments and the timely execution of both investments and realisations for optimising value.	Investment opportunities are subject to rigorous appraisal and a multi-stage approval process. Investment managers have well-developed networks through which they attract proprietary deal flow. Opportunities to enter or exit investments are reviewed regularly, being informed by market conditions, pricing and strategic aims.	The Investment Committee met throughout the year to consider investment decisions. The investment teams continue to review capacity and capability to ensure appropriate skills and resources are in place. As well as new positions, the teams promote talent from within, with a number of promotions approved during the year.	MEDIUM ⟷
Market Risk of losses in the value of investments arising from sudden and significant movements in public market prices, particularly in highly volatile markets. Private asset valuations have an element of judgement and could also be impacted by market fluctuations. Caledonia's principal market risks are therefore equity price volatility, foreign exchange rate movements and interest rate volatility.	Market risks and sensitivities are reviewed regularly with actions taken, where appropriate, to balance risk and return. A regular review of market and portfolio volatility is conducted by the board. Reviews also consider investment concentration, currency exposure and portfolio liquidity. Portfolio construction, including use of private assets, provides some mitigation.	Market volatility and geopolitical risks remain and have heightened over the past six months with impacts from the ongoing conflicts in Ukraine and the Middle East. However, recent market volatility is largely driven by US trade tariffs and ongoing uncertainty over their coverage and application. The Public Companies team maintain a long-term horizon, which benefits us in volatile periods, remaining vigilant for market opportunities that may present themselves in the short term. Inflation, reduced from last year, is expected to remain above the Bank of England's target in the short term. Current projections indicate a return to the 2% target in the medium term. Exchange rate movements (particularly £ v US$) impact valuations. This is closely monitored although there are no plans to change our unhedged position given the long term nature of our investments.	MEDIUM ↑

Principal risks	Mitigation and management	Key developments	Current risk status and movement in year to March 2025
Liquidity Risk that liabilities, including private equity fund drawdowns, cannot be met or new investments cannot be made due to a lack of liquidity. Such risk can arise from being unable to sell an investment due to lack of a market, or from not holding cash or being able to raise debt.	Detailed cash forecasting for the year ahead is updated and reviewed quarterly, including the expected drawdown of capital commitments. A weekly cash update is produced, focused on the short-term cash forecast. Loan facilities are maintained to provide appropriate liquidity headroom. The liquidity of the portfolio is reviewed regularly.	At the end of March 2025 there was £151m cash, in addition to a £325m undrawn on the revolving credit facility. This was renewed and increased (£250m to £325m) in the year which, in addition to cash, provides a substantial amount of available capital for investment in high quality opportunities. Detailed cash forecasting continues to be reviewed quarterly.	LOW ⟷
ESG & climate change Risks in relation to the successful incorporation of ESG matters and climate change impacts into our investment approach. Identifying opportunities to drive our approach to ESG matters, deliver strong returns and manage the risks to meet evolving stakeholder expectations.	Caledonia's ESG knowledge, processes and policies continue to develop as ESG matters are integrated into our investment approach. The pools report on ESG and climate change information and developments, to the board annually.	An assessment of the Private Capital portfolio companies' climate change risks and opportunities was conducted for the second year, updating the approach to ensure alignment with the corporate risk framework. This supports the climate change risk and opportunities disclosures within the TCFD report. Disclosure of carbon emissions for the Private Capital portfolio was introduced for the first time.	MEDIUM ⟷
Operational Risks arising from inadequate or failed processes, people and systems, or from external factors. Operational risks arise from failures around the recruitment, development and retention of staff, system failures and integrity issues, poor procedures, business disruption and failure to adhere to legal or regulatory requirements. Process failures can impact finance, IT and investment teams.	Systems and control procedures are developed and reviewed regularly ensuring that defences against cyber threats remain robust and aligned to industry standards. They are tested to ensure effective operation. Appropriate remuneration and other policies are in place to facilitate the retention of key staff. Business continuity plans are maintained and updated as the business evolves and in response to emerging threats. This includes a specific focus on cyber security. Caledonia has internal resources to consider regulatory and tax matters as they arise. Professional advisers are engaged, where necessary, to assist in specialised areas or when new laws and regulations are introduced.	Cyber security remains a material risk exposure, with focused activity during the year to augment and strengthen our technical controls. As part of ongoing controls assurance, a third party expert was engaged to review our system controls against NIST standards (National Institute of Standards & Technology) with actions being progressed. A system security focused simulation was facilitated by a third party which stressed the control environment, indicating areas of control improvement which are being progressed. Annual cyber security training was conducted, alongside targeted phishing simulation campaigns. A new expenses system was introduced increasing efficiency and systemising controls.	MEDIUM ⟷

Going concern and viability

Going concern and viability

The review of going concern and viability was considered and approved by the board, following full scrutiny by the Audit and Risk Committee. This review considered the key risks to the group, their potential financial impact and mitigating actions. A number of scenarios were considered to stress-test the robustness of the group's position to adverse events. These scenarios were applied to a detailed three-year financial plan that was approved by the board in March 2025.

Going concern

The board has undertaken an assessment of the appropriateness of preparing its financial statements on a going concern basis, taking into consideration future cash flows, current cash holdings of £151m, undrawn banking facilities of £325m and readily realisable assets of £965m as part of a wider process in connection with its viability assessment. It has been concluded that the group has sufficient cash, other liquid resources and committed bank facilities to meet existing and new investment commitments.

The directors have concluded that the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to consider it appropriate to adopt the going concern basis in preparing the financial statements.

Viability statement

The directors have assessed the viability of the group over the period to May 2028 (three years from the date of signing the financial statements), having determined that this is an appropriate period for which to provide this statement given the group's long-term investment objective, the resilience demonstrated by the stress testing and the relatively low working capital requirements of the group.

The viability assessment takes into account the group's position, its investment strategy and the potential impact of the relevant risks set out in this strategic report. In making this statement, the board is satisfied that the group operates an effective risk management process and confirms that it has conducted a robust assessment of the principal and emerging risks facing the group.

This includes those that would threaten its strategic objectives, its business model, its ability to operate and its future performance, solvency or liquidity. Based on this assessment, the directors have concluded that the group will be able to continue in operation and meet its liabilities as they fall due over the period to May 2028.

In making this assessment, the directors took comfort from the results of two stress tests, which extended the three-year viability assessment to a longer period to 31 March 2030. This considered the impact of significant market downturn conditions.

The first stress test addressed two discrete scenarios: a 5% reduction in the value of Sterling versus the US dollar compared to the rate on 31 March 2025 and a 12-month delay to Private Capital realisations.

The second stress test modelled a market downturn event over a two-year period reflecting a fall in Public Companies investment income of 20%, reduction of Private Capital investment income by 100%, an inability to realise the Private Capital portfolio and a 50% reduction in distributions from the group's funds portfolio. To simulate an extreme downside scenario the impact of a market downturn event and all fund commitments falling due was also assessed. The directors do not believe the extreme downside scenario is likely but factors this into the viability assessment.

It was concluded that even in a simulated market downturn and all fund commitments falling due, the group has sufficient liquidity on the balance sheet to meet its obligations as they fall due.

Overall, through the stress testing described above, the directors demonstrated the strength of the group's financial position and, in particular, its ability to settle projected liabilities as they fall due, even under extremely adverse circumstances.

The Strategic report was approved by the board on 19 May 2025 and signed on its behalf by:

Mat Masters
Chief Executive Officer
19 May 2025

We invest from the balance sheet, which allows us to be flexible. It also means that our own and our shareholders' interests are absolutely aligned.

Flexible & responsible

Maritime Volunteer Service
The Caledonia Investments Charitable Foundation supported MVS. They educate members in all aspects of maritime and communication skills and knowledge, promote the preservation of life and property within the maritime environment, help local organisations and events with skilled support, stimulate interest in maritime affairs, and excite members to achieve through training and helping their local community.

Corporate governance

Board of directors

David Stewart
N R

Chair

Date of appointment: 17 March 2015

Tenure: 10 years 2 months. Appointed to the board of directors on 17 March 2015 and as Chair on 20 July 2017

External appointments:
- Chairman and co-founder of IMM Associates
- Non-executive director of Longview Partners

Skills and experiences:
- Extensive experience of international business and asset management in the UK, Asia and emerging markets
- Effective leadership of Caledonia's board
- Provides valuable insight and advice in relation to the company's global portfolio

Mat Masters
Chief Executive Officer

Date of appointment: 1 April 2022

Tenure: 3 years 1 month. Appointed to the board of directors and as Chief Executive Officer Designate on 1 April 2022, becoming Chief Executive Officer on 27 July 2022

Skills and experiences:
- Qualified accountant
- Specialised in corporate finance before joining Caledonia, helping small and mid-sized companies access private equity finance
- Investment expertise, senior management, international business experience and leadership skills to enable him to execute the board's strategy

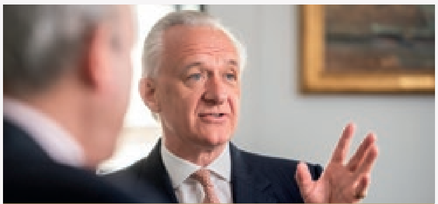
Rob Memmott
Chief Financial Officer

Date of appointment: 1 September 2023

Tenure: 1 year 8 months

External appointments:
- Treasurer and Pro Chancellor of the University of Sheffield

Skills and experiences:
- Qualified chartered accountant
- Significant listed company experience, having previously served as CFO of Arrow Global Group, which included its successful IPO, and John Laing Group, before its take private transaction with KKR
- Extensive commercial and financial experience, with over 20 years' experience in senior financial leadership roles



Jamie Cayzer-Colvin
Executive Director

Date of appointment: 4 April 2005

Tenure: 20 years 1 month

External appointments:
- Member of the advisory committees of a number of Caledonia's fund investments
- Chair of The Caledonia Investments Charitable Foundation
- Director of The Cayzer Trust Company

Skills and experiences:
- Previously served as Chairman of The Henderson Smaller Companies Investment Trust and as a non-executive director of Polar Capital Holdings, Polar Capital Funds, Close Brothers and Rathbones
- Senior management experience and investment expertise
- Specifically contributes to the long-term sustainable success of the company through his leadership of Caledonia's funds investment strategy

Farah Buckley
G N R

Independent Non-Executive Director

Date of appointment: 28 March 2023

Tenure: 2 year 1 month

External appointments:
- Non-executive director and Chair of the Audit Committee at Aurora Investment Trust
- Non-executive director and Chair of the Audit Committee of Leeds Building Society
- Non-Executive director of Apollo Syndicate Management Limited

Skills and experiences:
- Qualified chartered accountant
- Over 20 years working in financial services across audit, mergers and acquisitions and private equity
- Worked on numerous transactions within the retail, consumer and leisure sectors at boutique corporate finance house McQueen
- Brings extensive innovation and strategy experience to the board, with a particular focus on technology and environmental, social and governance matters

The Hon Charles Cayzer
N

Non-independent Non-Executive Director

Date of appointment: 18 July 1985

Tenure: 39 years 10 months

External appointments:
- Chairman of The Cayzer Trust Company and Bedford Estates

Skills and experiences:
- Experience of merchant banking, commercial banking and corporate and project finance with Baring Brothers, Cayzer Irvine and Cayzer Ltd
- Responsible for a large number of investment acquisitions and disposals as an executive director of Caledonia
- Extensive knowledge of the commercial property sector and broad commercial management experience, which enable him to provide insight and constructive challenge across the breadth of Caledonia's investment activities

Guy Davison A G N
Senior Independent Non-Executive Director

Date of appointment: 1 January 2018

Tenure: 7 years 4 months

External appointments:
- Trustee of the Sussex Community Foundation

Skills and experiences:
- Qualified accountant
- Founding partner of Cinven, central to the development and expansion of the business. During his 29 years, he represented the firm as Chairman or non-executive director at some 25 of its portfolio companies
- 30 years' knowledge and experience of private equity investing, both in the UK and Europe, which is of particular benefit to the board and Caledonia's Private Capital team in evaluating new unquoted investment opportunities and managing its existing unquoted portfolio

Anne Farlow A G N R
Independent Non-Executive Director

Date of appointment: 28 March 2022

Tenure: 3 years 1 month

Skills and experiences:
- Former director of Electra Partners and Providence Equity Partners and former non-executive chair of Pershing Square Holdings
- Worked with both established and early-stage companies during her private equity and investment career across a range of different sectors and jurisdictions
- Extensive private equity and investment experience in Europe, North America and Asia, enabling her to provide constructive challenge across a broad range of the company's investments

Claire Fitzalan Howard G N R
Independent Non-Executive Director

Date of appointment: 22 July 2019

Tenure: 5 years 9 months

External appointments:
- Non-executive director of Schroders
- Involved in a number of charitable trusts and foundations, including as a director of the Schroder Charity Trust and as a trustee of the Schroder Foundation

Skills and experiences:
- Former executive director of Gauntlet Insurance Services before becoming non-executive in 2004 until 2019
- Broad experience in both the financial services and charitable sectors, as well as a deep experience of public and private businesses with significant family shareholdings

Lynn Fordham A G N
Independent Non-Executive Director

Date of appointment: 1 January 2022

Tenure: 3 years 4 months

External appointments:
- Chair of RMA-The Royal Marines Charity and NewRiver Reit
- Non-executive director of Domino's Pizza Group, NCC Group and Enfinium

Skills and experiences:
- Qualified chartered accountant
- Formerly the Managing Partner of Larchpoint Capital, CEO of SVG Capital, non-executive director of Fuller, Smith & Turner
- Previously held senior finance, risk and strategy positions at Barratt Developments, BAA, Boots, ED&F Man, BAT and Mobil Oil
- Wide ranging listed company, private equity and finance experience across a range of sectors, the latter being of particular importance to her role as Chair of the Audit and Risk Committee

Will Wyatt N
Non-independent Non-Executive Director

Date of appointment: 4 April 2005

Tenure: 20 years 1 month

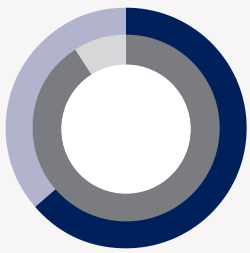
External appointments:
- Non-executive director of Cobehold
- Chairman of the Rank Foundation and Real Estate Investors
- Director of The Cayzer Trust Company

Skills and experiences:
- Joined the Caledonia group in 1997 from Close Brothers Corporate Finance, working at Sterling Industries before transferring to Caledonia's head office in 1999 as an investment executive
- Appointed a director of Caledonia in 2005, serving as Chief Executive from 2010 until becoming a non-executive director in 2022
- Held board positions at numerous Caledonia investee companies, both listed and private
- Corporate finance and investment expertise, broad senior management experience and team leadership skills, which benefit the successful delivery of the board's strategy

Committee membership key

- A Audit and Risk
- G Governance
- N Nomination
- R Remuneration
- Committee chair

Board diversity



Male	7	64%
Female	4	36%

White	10	91%
Asian/Asian British	1	9%

Governance framework

THE BOARD

The board as a whole is collectively responsible for the success of the company and for supervising its affairs. It sets the company's strategy, ensures that the necessary financial and human resources are in place to enable the company to meet its objectives and reviews management performance. It also defines the company's purpose and culture, and sets the company's values and standards to ensure that its obligations to its shareholders and other stakeholders are understood and met. It aims to provide leadership of the company within a framework of prudent and effective controls, which enables risk to be assessed and appropriately managed.

Chair

The Chair is primarily responsible for the leadership of the board to ensure that it carries out its role effectively and for succession planning.

Chief Executive Officer

The Chief Executive Officer is responsible for the implementation of the board's strategy, policies and the management of the company's activities, other than those matters specifically reserved for the board.

Senior Independent Director

The Senior Independent Director is responsible for providing a sounding board for the Chair and, if necessary, to serve as an intermediary for the other directors and shareholders.

BOARD COMMITTEES

Audit and Risk Committee

Further detail
See page 88

Governance Committee

Further detail
See page 94

Nomination Committee

Further detail
See page 86

Remuneration Committee

Further detail
See page 96

Disclosure and Delegation Committee

Deals with routine administrative matters or matters for which board approval has already been given in principle. It also considers potential disclosure matters as required.

MANAGEMENT COMMITTEES

Valuation Committee

Formally reviews valuations of all of the company's investments at each half-year and full-year end. Meetings are observed by representatives from the external auditor.

Investment Committee

Considers and formally approves new investments and proposed realisations. Other matters considered include the day to day management of the company's business where not delegated elsewhere.

Private Capital Investment Committee

Reviews the management of investments held within the Private Capital pool and considers potential Private Capital transactions.

Investment Management Committee

Considers matters relating to the company's investment portfolio.

Operational Risk Committee

Considers the company's overall risk strategy, reviews the internal financial control systems, and develops and implements the procedures for detecting fraud and preventing bribery.

Responsible Investment / Corporate Working Group

Advises and assists in the development and implementation of Caledonia's approach to sustainability matters, including climate-related issues.

IT/AI Working Group

Cross functional working group established to review, advise and assist in the development and implementation of IT and AI policy and new technology.

INVESTMENT TEAM

Corporate governance report

Caledonia recognises the value of good corporate governance to deliver long-term sustainable success.

Membership and attendance

The board held six scheduled meetings during the year, together with two additional meetings convened at short notice. Attendance of the directors was as follows:

Director	Meetings attended	Meetings eligible to attend
D C Stewart	8	8
M S D Masters	8	8
R W Memmott	8	8
J M B Cayzer-Colvin[1]	7	8
F A Buckley	8	8
Hon C W Cayzer	8	8
G B Davison	8	8
M A Farlow[1]	7	8
C L Fitzalan Howard[1]	7	8
L R Fordham	8	8
W P Wyatt[1]	7	8

1. Jamie Cayzer-Colvin, Anne Farlow, Claire Fitzalan Howard and Will Wyatt were each unable to attend one of the meetings which were called at short notice, due to pre-existing commitments.

Further information on the matters reserved for the board

Statement of compliance

The board considers that the company has complied with the UK Corporate Governance Code ('Code') published in July 2018 for the duration of the reporting period. In making this assessment, the board gave particular consideration to Provision 19 of the Code as explained in Board composition on page 77.

A copy of the Code is available on the website of the Financial Reporting Council at www.frc.org.uk.

Pages 76 to 118 comprise the company's corporate governance statement.

The board and, where relevant, its committees made appropriate preparations in response to the updated principles and provisions contained in the new Code published in January 2024, which will apply to the company's financial year ending 31 March 2026 apart from Provision 29 which will apply to the company's financial year ending 31 March 2027.

The board

Overall responsibility and operation

As part of the company's governance framework, which is summarised on page 74, the board has adopted a formal schedule that sets out those matters which it specifically reserves for its own decision and those which are delegated to board committees and to executive management. Matters reserved for the board's own decision include the following:

- responsibility for the company's strategy, values and culture
- approval of the company's half-year results, full-year results and annual report
- approval of the company's dividend policy and dividend distributions
- the appointment, re-appointment and removal of the external auditor
- the appointment and removal of directors of the company, as prescribed by the company's articles of association, and of certain other executives, including the Company Secretary
- the terms of reference of board committees and the membership thereof
- directors' remuneration and terms of appointment
- setting annual budgets
- the company's systems of risk management and internal control, including procedures for detection of fraud and prevention of bribery
- responsibility for the company's arrangements to enable its employees to raise any matters of concern
- treasury policies, banking counterparties and counterparty exposure limits
- significant capital transactions
- political donations.

The roles of the Chair, the Chief Executive Officer and the Senior Independent Director are separated and clearly defined in separate statements of responsibilities. These responsibilities are summarised in the governance framework on page 74.

The matters reserved for the board and the statements of responsibilities of the Chair, the Chief Executive Officer and the Senior Independent Director are reviewed by the board annually and published on the company's website.

Appointment, induction and training

The company complies with the recommendation of the Code that all directors of FTSE 350 companies should be subject to annual re-election by shareholders.

On appointment, new directors are offered induction and training considered appropriate by the board, and subsequently as necessary. The annual performance evaluation of the board encompasses the identification of any individual training needs of board members so that, if necessary, these can be reviewed by the Chair with the directors concerned. The directors receive briefings at board meetings on regulatory and other issues relevant to the company and its business sector and, in addition, may attend external courses to assist in their professional development.

Board composition

The board currently comprises 11 directors. Excluding the Chair, three of the directors are executive and seven are non-executive. The board considers all of the non-executive directors to be independent other than Will Wyatt and The Hon C W Cayzer who were executive directors prior to becoming non-executive directors and are also members of the Cayzer family concert party ('Cayzer Concert Party').

David Stewart was appointed to the board as an independent non-executive director in March 2015, before taking on the role of company Chair in July 2017. The board, on the recommendation of the Nomination Committee, which was chaired by Guy Davison, Caledonia's Senior Independent Director, further extended David's tenure as Chair in May 2025 until no later than the company's annual general meeting in 2026, subject to his annual re-election by shareholders. This followed an initial extension of one year to July 2025 and lengthened David's anticipated service on the board by a little over two years. Whilst this is beyond the nine years recommended in Provision 19 of the Code his tenure as company Chair will not exceed nine years. As previously reported, the extensions were considered appropriate following a period of notable board development which included the appointment of three new non-executive directors and two executive directors in 2022 and 2023. In considering the further extension of David's tenure for a limited period, the Nomination Committee took into account the ongoing succession planning activity to identify a new Chair and the need to replace the skills and experience David brings to the board. Following a careful assessment including feedback obtained as part of the board evaluation, the board concluded that he continues to be an independent and effective chair.

As expected in the Code, at least half of the board's members throughout the year, excluding the Chair, were considered independent.

Board committees

As identified in the governance framework, which is summarised on page 74, the board has delegated certain specific areas of responsibility to the following standing committees: the Nomination Committee, the Audit and Risk Committee, the Governance Committee and the Remuneration Committee.

Further details of the work of each of these committees and their membership during the year are set out in their respective reports on pages 86 to 114.

The terms of reference of each committee are reviewed annually and are available on the company's website.

Board performance evaluation

The board conducts an annual evaluation of its performance and that of its committees and, in accordance with good practice, engages an independent third party facilitator to assist in this process every three years. For the year ended 31 March 2024, Board Level Partners ('BLP') was engaged to conduct an externally facilitated evaluation of the board, its committees and individual directors as reported in the 2024 annual report.

For the year ended 31 March 2025, the evaluation of the board as a whole and of its committees was undertaken internally, led by the Chair, and was conducted by inviting individual board members to complete questionnaires regarding the operation and effectiveness of the board and its committees. The analysis was collated by the Company Secretary and discussed by the Chair with each director separately.

The evaluation of the performance of the Chair was led by the Senior Independent Director and was discussed in a meeting of the non-executive directors. The performance of the executive directors was reviewed by the Chair and the non-executive directors.

The results of the 2025 evaluation process were considered by the board. The conclusion was that the board continued to function well in an atmosphere of open and constructive debate with a good breadth of skills, experience and viewpoints. Areas identified for development included:

- long-term succession planning
- embedding the updated risk management framework
- ongoing training and development.

Corporate governance report (continued)

Key stakeholders, engagement and board decision making

Details in respect of the company's key stakeholders, together with commentary on how the directors addressed the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 (the 'Companies Act') as they made decisions during the year, are set out in the Section 172 statement on pages 80 to 85.

Shareholders

Annual general meeting
As noted in the Section 172 statement, the company's annual general meeting remains an important part of Caledonia's shareholder communications programme. All resolutions proposed at the 2024 annual general meeting were passed.

The ninety-sixth annual general meeting of the company will be held at 6 Park Place, St. James's, London SW1A 1LR on Wednesday, 16 July 2025 at 11.30 am. The notice of the annual general meeting and details of all of the resolutions to be put to shareholders are set out in a separate circular published at the same time as this annual report.

General meeting
On 18 December 2024, a general meeting was held for the consideration by shareholders of a proposal to refresh the company's then existing authority to make market purchases of ordinary shares and at the same time to seek approval from independent shareholders of a waiver of the mandatory offer provisions set out in Rule 9 of The City Code on Takeovers and Mergers ('Rule 9 Waiver Resolution') in relation to the Cayzer Concert Party, which did not include a cap on the percentage of the ordinary shares that the Cayzer Concert Party can hold following market purchases. The background to and a detailed explanation of the proposals was provided in the circular containing a notice of general meeting made available to shareholders on 26 November 2024.

Both resolutions proposed at the general meeting were passed. The company is grateful to those shareholders who took the time to engage in advance of the general meeting and to all shareholders who voted in favour of the resolutions for their support.

Relations with controlling shareholders
As at 19 May 2025, being the latest practicable date prior to the publication of this annual report, the Cayzer Concert Party held 50.4% of Caledonia's voting rights.

Previously under the Financial Conduct Authority's Listing Rules, where a premium listed company had a controlling shareholder or shareholders (being a person or persons acting in concert who exercise or control 30% or more of the company's voting rights), the company was required to enter into a written and legally binding agreement which was intended to ensure that the controlling shareholder undertook to comply with certain independence provisions. The agreements specified under the Listing Rules described above (which were required to be in place by 17 November 2014) were entered into by the company on 30 October 2014 with The Cayzer Trust Company Limited ('Cayzer Trust') and separately with the Trustee of The Caledonia Investments plc Employee Share Trust ('Employee Share Trust'), which is deemed by The Panel on Takeovers and Mergers to form part of the Cayzer Concert Party.

The requirement specified under the Listing Rules described above was removed in July 2024. Following this change, the relationship agreements entered into by the company in 2014 with Cayzer Trust and the Employee Share Trust automatically terminated. The company and Cayzer Trust agreed to enter into a revised relationship agreement on 26 November 2024, conditional on the Rule 9 Waiver Resolution being passed. Under this new agreement, Cayzer Trust agreed to, and will use its reasonable endeavours to procure that other members of the Cayzer Concert Party will:

- conduct all transactions and arrangements with the company and other group members at arm's length and on normal commercial terms
- not undertake any action, including proposing a shareholders' resolution, that would have the effect of preventing the company complying with its obligations under the Listing Rules
- maintain a list of the members of the Cayzer Concert Party from time to time and work with the company to provide information to support the company's assessment of its compliance with the requirements to maintain investment trust status
- if necessary, discuss in good faith with the company any actions that the company considers may be reasonably necessary to protect the company's investment trust tax status.

The board confirms that, during the period under review and up to 19 May 2025, being the latest practicable date prior to the publication of this annual report, the company has the ability to carry on its business independently of the Cayzer Trust.

Directors' conflicts of interest

Each director has a duty under the Companies Act to avoid a situation where they have, or could have, a direct or indirect interest which conflicts, or may possibly conflict, with the company's interests. The Companies Act, however, allows directors of public companies to authorise conflicts and potential conflicts where the articles of association contain a provision to this effect. The Companies Act also allows the articles to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty.

There are safeguards in the company's articles of association which apply when the directors decide whether to authorise a conflict or potential conflict of interest. First, only independent directors, being those who have no interest in the matter being considered, are able to take the relevant decision and, second, in taking the decision, the directors must act in a way which they consider, in good faith, will be most likely to promote the success of the company. The directors are able to impose limits or conditions when giving authorisations if they think this is appropriate.

The board has adopted procedures to address the requirements of the Companies Act in relation to directors' conflicts of interest. Each new director on appointment is required to declare any potential conflict situations, which may relate to them or their connected persons. These are reviewed by the board and, if necessary, also by the Governance Committee, which then considers whether these situations should be authorised and, if so, whether any conditions to such authority should be attached.

Each board meeting includes a standing agenda item on conflicts of interest to ensure that all directors disclose any new potential conflict situations. These are then reviewed, again if necessary by the Governance Committee, and authorised by the board as appropriate. A register of directors' conflicts of interest is maintained by the Company Secretary and is reviewed annually by the Governance Committee.

The Corporate governance report was approved by the board on 19 May 2025 and signed on its behalf by:

David Stewart
Chair of the board
19 May 2025

The table below highlights where key content can be located elsewhere in this annual report to enable shareholders to evaluate how the company has applied the principles set out in the UK Corporate Governance Code.

Section 172 statement

How we engage with stakeholders and make decisions

Section 172 of the Companies Act 2006 (the 'Companies Act') requires each of our board directors, individually and collectively, to act in the way they consider, in good faith, would most likely promote the long-term success of the company for the benefit of its members as a whole. In doing this they are required to have regard, amongst other relevant matters, to the:

a. likely consequences of any decisions in the long term

b. interests of the company's employees

c. need to foster the company's business relationships with suppliers, customers and others

d. impact of the company's operations on the community and environment

e. desirability of the company maintaining a reputation for high standards of business conduct

f. need to act fairly as between members of the company.

In discharging their duties, each director will seek to balance the interests, views and expectations of Caledonia's stakeholders, whilst recognising that every decision the board makes will not necessarily result in a positive outcome for all. However, the board's aim is to make sure that decisions are consistent and predictable. In so doing, it seeks to generate long-term compounding real returns that outperform inflation by 3%-6% over the medium to long term, and the FTSE All-Share index over 10 years. The company does not have customers. Rather, its shareholders are the stakeholders who most closely resemble customers.

In this section, we describe each of our key stakeholder groups, their importance and how we engaged with them during the year. Also provided are examples of the ways in which the board considered the interests of these stakeholders and had regard to the matters set out in section 172(a) to (f) of the Companies Act when making its decisions.

Further details on how the board operates can also be found in the Corporate governance report on page 76 and at www.caledonia.com.

Our stakeholders and their importance

Stakeholders

Our shareholders

Our shareholders provide Caledonia's permanent capital and it is for their benefit that the directors are required to promote the company's success

Our people

Centred around a collection of values that shape our approach to every aspect of investing, our team is key to delivering long-term performance. We seek to create an environment that enables us to attract, retain and develop exceptional people

Suppliers

We build and value long-term supplier relationships built on transparency, reliability and quality to support our investment activities

Community

The Caledonia Investments Charitable Foundation - we look to support communities which resonate with our history, values, culture and team

Caledonia intern programme - we remain committed to advancing new talent in our industry

Our portfolio companies and funds

Our portfolio companies, both public and private, and private equity funds provide the source of returns to our shareholders. We build rewarding relationships with, and a deep understanding of, our investments

Section 172 statement (continued)

Our shareholders

Why we engage

Shareholders provide Caledonia's permanent capital and it is for their benefit that the directors are required to promote the company's success.

We remain committed to a proactive and constructive dialogue with shareholders to ensure:

- there is a good understanding of the company's purpose, performance and approach to environmental, social and governance matters
- the board is aware of issues that are important to them.

How we engage

We communicate with investors through numerous channels:

- our Chief Executive Officer and Chief Financial Officer hold regular meetings with institutional investors, private client stockbrokers and fund managers, particularly following the publication of our half-year and annual results
- a new programme of spotlight events for investors and analysts on each of our three pools providing insight on the investment philosophy, strategy and portfolio, the first of which was held on the Private Capital pool in January 2025
- investor conferences attended by retail investors and fund managers
- regular market announcements, including monthly NAV announcements, half-year and annual results webcasts keep shareholders apprised of performance.

Further details on relations with controlling shareholders can be found on page 78.

How the board engages

- The Chair and other non-executive directors are available to attend shareholder meetings if requested.
- Caledonia's annual general meeting is an important part of our communications programme, providing directors with the opportunity to meet shareholders in person and to hear their opinions.
- During the third quarter of the year, our Chair and Chief Executive Officer met with independent shareholders to seek their views on a range of matters including the possibility of taking steps to ensure that the company could continue to make share buybacks.
- Views put forward by shareholders and analysts are reported back to the board, with periodic reports and presentations from the company's brokers and management on shareholder feedback and general market perception of the company.

Outcomes

- Shareholder perspectives and ongoing engagement are considered as part of strategy and other discussions.
- During the year, work to implement changes to our investor relations and communications activities continued, to further refine our disclosures and ensure our investment proposition is well understood and recognised by the market.
- Shareholder approval at the general meeting held on 18 December 2024 allowed us to continue repurchasing shares without a cap restricting the percentage of the ordinary shares that the members of the Cayzer family concert party are able to hold.
- Sentiment towards investment companies, and in particular those investing in private assets, continues to weigh on discounts across the sector. We believe that the share price fundamentally undervalues the quality of the investment portfolio and its long term performance. During the year, we repurchased 1,729,061 shares at an average discount of 33.7%, resulting in a 59.2p accretion to NAV per share.
- In making its decision regarding the 2025 interim and final dividends, the board considered shareholders' expectations, the net revenue generated by the company and the capacity of the company to pay dividends out of free cash flow, taking into account future dividend liquidity requirements and availability.
- The board intends to increase future interim dividends to 50% of the prior year's total annual dividend, ensuring a more balanced dividend profile and providing a more predictable income stream to our shareholders.
- The board is recommending a 10:1 share split to shareholders for approval at the 2025 annual general meeting. This will reduce the nominal value of ordinary shares from 5p to 0.5p and is expected to improve affordability and flexibility for smaller shareholders.

Our people

Why we engage	How we engage	How the board engages	Outcomes
Our team is key to delivering long-term performance. Recruiting, retaining and developing engaged and experienced employees who share our values and culture is central to delivering Caledonia's purpose.	We encourage honest and open communication, both formally and informally, to ensure employees remain closely involved with the success of the business. Further details on our workplace can be found on page 62.	• Caledonia has a small number of employees which enables regular formal and informal access to board directors, irrespective of seniority, together with frequent colleague involvement in board and committee meetings. As such, the board believes that these existing arrangements are effective and therefore the methods for workforce engagement suggested by the UK Corporate Governance Code are not necessary. • Formal periodic reports on staff-related matters, including any instances of concerns or grievances raised and suggestions received for improvements to the workplace culture, assist the board in understanding the views of employees.	• This year we launched our second colleague engagement survey to help us better understand the views of our employees and how we can continue to develop and improve. We are pleased that 92% of colleagues responded to the survey and their feedback will help shape our plans over the next two years. • Following shareholder approval at the 2024 annual general meeting, we will launch our all employee Share Incentive Plan in Summer 2025. This is an HMRC approved plan and will offer all employees, irrespective of seniority, the opportunity to build up a tax efficient equity stake in the company.

Section 172 statement (continued)

Our portfolio companies and funds

Why we engage	How we engage	How the board engages	Outcomes
Our portfolio companies, both public and private, and private equity funds provide the source of returns to our shareholders.	Our focus remains on long term careful stewardship to create value for our shareholders. We seek to build rewarding relationships with, and a deep understanding of, our investments. ***Public Companies*** • We use in-house and third party research to closely monitor the performance of companies in the Income and Capital portfolios. • Meetings with management teams are an important part of our ongoing stewardship activities. • We make considered use of our voting rights at all shareholder meetings. ***Private Capital*** • Our employees serve as non-executive directors on the boards of portfolio companies in which we hold a significant investment, providing oversight and helping to ensure that our board is kept apprised of key developments and the views of a broader group of stakeholders. ***Funds*** • Alongside proactive monitoring of fund performance, we are represented by employees on numerous advisory committees established by the managers of the funds in which we invest. • A regular programme of meetings with fund general partners, other limited partners and investee businesses enables us to gain real insight into the ongoing management of our portfolio. Further details on our stewardship activities can be found on page 46.	Decision making is supported by comprehensive regular reporting to the board by the Heads of Public Companies, Private Capital and Funds, supported by members of their respective teams. ***Private Capital*** • Our programme of presentations from the leadership of portfolio companies provides directors additional insight to assist with investment decision-making. • In January 2025, the directors attended a conference and dinner with portfolio company management, which included business presentations and provided the opportunity to meet a broader group of senior management. • Following the acquisition of AIR-serv Europe, the board received a series of presentations from management providing an overview of the business and attended a tour of its Wigan site, providing first hand insight into the day to day operations of the business.	***Public Companies*** • Over the course of the year, the team attended over 30 meetings with portfolio company management and used their voting rights at all shareholder meetings. ***Private Capital*** • As part of our long-term approach to investment, close engagement with our Private Capital companies contributes to a strong governance framework to support growth and create value. • Caledonia acquired a majority stake in Direct Tyre Management Limited, the UK's leading independent provider of outsourced tyre management services to fleet operators during the year. The acquisition was consistent with Caledonia's strategy of investing in quality, robust, well established private companies, with proven management teams, and seeking a long-term supportive shareholder. ***Funds*** • Over the course of the year, the team has attended in excess of 150 meetings with our portfolio fund managers, including annual meetings, advisory board meetings, in-person meetings in the UK, Asia or North America and virtual meetings held online.

Community

Why we engage	How we engage	How the board engages	Outcomes
We look to support the communities in which the company and our investee companies operate and charities which resonate with our history, values, culture and team. We support advancing new talent and social mobility within the investment management industry.	***Charitable giving*** The Caledonia Investments Charitable Foundation ('Foundation') is the focus for Caledonia's charitable activity, providing support to many good causes each year. The company made a grant of £300,000 to the Foundation during the year. ***Volunteering*** As part of our ongoing charitable commitment and to further encourage employees to support the Foundation, together with other charities and good causes, we provide up to two additional days of leave each year to employees so they can volunteer their time. ***Intern and alumni programme*** With support from an independent facilitator and involvement from employees across the business, the programme provides interns with an invaluable insight into Caledonia, the investment management industry and helps build skills for their future careers. Further details on our community activities can be found on pages 58 to 60.	***Charitable giving*** The Foundation reports formally on its activities to the board each year. ***Intern and alumni programme*** Each year, one of our non-executive directors is invited to participate in an event in which our interns pitch their investment ideas at the end of their month long programme.	***Charitable giving*** Numerous charities received varying levels of support over the year. Notable multi-year donations were provided to: • the Cornwall Community Foundation which seeks to improve the lives of individuals within Cornwall • the Maritime Volunteer Service to purchase equipment and to train its members in maritime, engineering, operations and communications skills. A donation was also provided to Horatio's Garden for the continued development of gardens in NHS spinal injury wards, which marked the end of the Foundation's multi-year commitment. Other notable donations included those to Joshua Orphan and Community Care, supporting community-driven sustainable projects in Malawi, and The Passage, a UK charity working to prevent and end street homelessness. ***Volunteering*** Employees support the Foundation, charities and other good causes by volunteering their time, alongside fundraising and participating in charitable events. ***Intern and alumni programme*** • 12 successful candidates who aspire to have a career in investment management were offered places on our annual internship programme. • Our intern alumni programme helps to foster enduring relationships with our interns as they begin their careers and provides us with access to potential future talent and networks.

Suppliers

Why we engage	How we engage	How the board engages	Outcomes
We value long-term supplier relationships built on transparency, reliability and quality to support our investment activities.	We benefit from good relationships, often built over many years, with suppliers and advisers who share our values.	The board is informed on key supplier matters where relevant.	We operate clear payment practices to ensure fair and prompt payment for the goods and services we receive. We agree payment terms when contracting with suppliers and abide by them when we are satisfied that we have received the goods or services in accordance with the agreed terms and conditions. Whilst we are not a signatory of the UK Prompt Payment Code, we paid more than 82% of our supplier invoices within 30 days during the year, with 94% paid within 60 days.

Nomination Committee report

The Nomination Committee focuses on evaluating the directors, considering the skills and attributes needed for the long term. It identifies suitable board candidates and assists with succession planning.

Membership and attendance

The membership and attendance record of the Committee during the year was as follows:

	Meetings attended	Meetings eligible to attend
D C Stewart (Chair)	3	3
F A Buckley	3	3
Hon C W Cayzer	3	3
G B Davison	3	3
M A Farlow	3	3
C L Fitzalan Howard	3	3
L R Fordham	3	3
W P Wyatt	3	3

Further information on the Nomination Committee's terms of reference

Responsibilities

The Committee is responsible for:

- regularly reviewing the structure, size and composition of the board, including its skills, knowledge, experience and diversity
- considering succession planning for directors and, if requested by the board, other senior executives
- identifying and recommending to the board candidates to fill board vacancies, using external search consultants where necessary
- keeping under review the leadership needs of the company, both executive and non-executive
- reviewing the time commitment required from non-executive directors, ensuring they receive formal letters of appointment that set out clearly the company's expectations.

Diversity and inclusion

Caledonia's policy is to appoint candidates to roles based on merit and against objective criteria. The Committee seeks to ensure that the board and its committees have a diverse mix of skills, experience, perspectives, opinion and knowledge, which facilitates discussion and debate to enable the successful delivery of the company's strategy. It remains committed to increasing diversity and inclusion over time.

Whilst Caledonia has not adopted any measurable diversity and inclusion objectives to date, external search consultants are required to put forward diverse candidates for new positions. The Committee continued to focus on achieving the board composition targets set by the FTSE Women Leaders Review, the Parker Review and the Listing Rules during the year.

Detailed gender and ethnicity diversity analysis in respect of the board, including progress against the targets set out in the Listing Rules, and Caledonia more broadly, is provided on page 61.

Company Chair

I was appointed to the board as an independent non-executive director in March 2015, before taking on the role of Chair in July 2017. The board, on the recommendation of the Committee, which was chaired by Guy Davison, Caledonia's Senior Independent Director, has further extended my tenure until no later than the company's annual general meeting in 2026, subject to my annual re-election by shareholders. This followed an initial extension of one year to July 2025 and has lengthened my anticipated service on the board by a little over two years. Whilst this is beyond the nine years recommended in Provision 19 of the UK Corporate Governance Code (the 'Code'), my tenure as company Chair will not exceed nine years. As previously reported, these extensions were considered appropriate following a period of notable board development which included the appointment of three new non-executive directors and two executive directors in the past three years. In considering the further extension of my tenure for a limited period, the Committee took into account the ongoing succession planning activity to identify a new Chair, which is being led by Guy, and the balance of skills and experience on the board.

Work of the Nomination Committee

The Committee met on three occasions during the year. Areas of focus included:

- consideration of the tenure, independence, balance of executive, non-executive and independent non-executive directors and the gender balance of the board, particularly against targets including those set by the FTSE Women Leaders Review, the Parker Review and the Listing Rules, together with the expectations set out in the Code
- consideration of a detailed skills, experience and diversity matrix, which sought to identify future recruitment priorities based on identified gaps, industry and stakeholder expectations and good practice
- consideration of the contributions and effectiveness of the non-executive directors seeking re-election at the 2024 annual general meeting, prior to giving recommendations to the board and shareholders for their re-election
- consideration of the company's internal succession plan over the short, medium and long term
- the renewal of Guy Davison's letter of appointment, extending his term of office to 2027.

Committee evaluation

The activities of the Committee were considered as part of an internal effectiveness review which is summarised on page 77. The board found that the Committee functioned well, with the appropriate balance of membership, skills and experience.

David Stewart
Chair of the Nomination Committee
19 May 2025

Audit and Risk Committee report

The Audit and Risk Committee plays a significant role in ensuring that the company's financial statements are properly prepared and the system of controls that is in place is effective and appropriate to manage and mitigate risk.

Membership and attendance

The membership and attendance record of the Audit and Risk Committee during the year was as follows:

	Member since	Meetings attended	Meetings eligible to attend
L R Fordham (Chair)	January 2022	3	3
G B Davison	January 2018	3	3
M A Farlow	March 2022	3	3

Further information on the Audit and Risk Committee's terms of reference

Dear Shareholder

I am pleased to present the Audit and Risk Committee's report once again.

The Committee's responsibilities include:

- monitoring the integrity of the company's financial statements and reviewing any significant financial reporting judgements they contain, together with associated company announcements
- reviewing the company's systems of internal control
- considering Caledonia's approach to risk, including strategy, risk appetite and the identification of principal and emerging risks, together with the monitoring, management and mitigation of such risks
- overseeing the relationship with the external auditor
- considering annually whether an internal audit function is required.

The Committee comprised exclusively of independent non-executive directors with significant financial and sector experience and met three times in the year ended 31 March 2025, in May and November 2024 and in March 2025. Since the year end, the Committee met again in May 2025 to consider matters relating to the 2025 annual report and financial statements.

The Chief Executive Officer, the Chief Financial Officer, the Company Secretary and members of Caledonia's finance team attended all meetings, together with the company's external auditor, BDO LLP ('BDO'). From time to time, other board members and/or senior executives may also be invited to join all or part of a meeting. The Committee also held separate discussions with BDO's audit partner without management participation where appropriate.

The areas of focus for the Committee during the year included:

- the valuation of unlisted assets
- the company's financial reporting, together with BDO's audit findings and viability and going concern reviews
- the company's Task Force on Climate-related Financial Disclosures ('TCFD') reporting
- the development of Caledonia's risk management framework
- the company's risk dashboard and controls assurance reports.

In the year ahead, amongst the usual areas of focus, the Committee will continue to consider management's proposed approach to the changes to audit, risk and internal control set out in the 2024 edition of the UK Corporate Governance Code (the '2024 Code'). It is intended that a declaration of the effectiveness of Caledonia's material controls will be made in the 2027 annual report, as set out in the 2024 Code. Work to support this declaration is well progressed.

I would like to express my thanks to my colleagues on the Committee for their diligence over the past year. We will once again be available at this year's annual general meeting to answer any questions on the work of the Committee.

Lynn Fordham
Chair of the Audit and Risk Committee
19 May 2025

Work of the Committee

The Committee undertook the following activities during the year[1]:

Area of responsibility	Activity	Meetings considered at		
		May	Nov	Mar
Reporting	• Reviewed draft results and annual report for the financial year ended 31 March 2024, including key accounting judgements, going concern and viability, and considered whether the report was fair, balanced and understandable	✓		
	• Reviewed draft half-year results and reporting for the six months ended 30 September 2024, including key accounting judgements, going concern and viability		✓	
	• Reviewed accounting standard amendments, together with likely impact (if any)	✓		✓
	• Reviewed TCFD reporting for the year ended 31 March 2024	✓		
	• Reviewed approach to TFCD reporting for the year ended 31 March 2025			✓
Valuations	• Considered valuations of unlisted investments as at 31 March 2024 and 30 September 2024, including assessments undertaken by the Valuation Committee	✓	✓	
Internal control	• Considered control environment reporting for companies within the Private Capital pool	✓	✓	
	• Considered controls assurance reports for human resources, the Enterprise Resource Planning (‘ERP’) system and investment custody services		✓	
	• Considered approach to identifying key controls and proposed assurance map			✓
Risk	• Reviewed the company’s investment and operational risk dashboards	✓	✓	✓
	• Considered the company’s investment risk report	✓	✓	
	• Received a comprehensive update on cyber security, disaster recovery and information technology matters			✓
	• Considered principal risks, risk appetite and developments to risk management framework	✓	✓	✓
External audit	• Reviewed BDO’s external audit report on the draft results and annual report for the financial year ended 31 March 2024, together with the management representation letter	✓		
	• Considered BDO’s review of the results for the six months ended 30 September 2024		✓	
	• Approved BDO’s fee proposals for the year ended 31 March 2025 and engagement letters		✓	
	• Reviewed BDO’s external audit plan and strategy			✓
	• Considered the FRC’s Audit Quality Inspection and Supervision Report in respect of BDO, together with the FRC’s overview of the audit quality of the largest audit firms, and BDO’s response to the FRC’s findings		✓	
Internal audit	• Considered the need for an internal audit function	✓		
Governance	• Reviewed the Committee’s terms of reference		✓	
	• Reviewed and approved the policy for the provision of non-audit services by the independent auditor			✓
	• Reviewed and approved the policy for external audit services procured by investee companies			✓
Other matters	• Considered ongoing investment trust status compliance	✓		

1. Since March, the Committee considered matters regarding the year ended 31 March 2025, which included:
   - considering valuations of unlisted investments, including assessments undertaken by the Valuation Committee
   - reviewing the results and annual report, accounting judgements, going concern and viability and consideration of whether the annual report was fair, balanced and understandable
   - reviewing BDO’s external audit report on the results and annual report for the financial year ended 31 March 2025
   - approval of this report.

Audit and Risk Committee report (continued)

Significant matters considered

Topic	Description of the matter	Committee considerations
Financial statements	The Committee reviewed the form and content of the 2025 annual report and financial statements, including TCFD reporting. In conducting its review, the Committee considered reports prepared by management and the external auditor. Management's reports provided an analytical review of the financial statements, comparing the current to prior year financial position and results, and detailed the judgements and sources of estimation uncertainty involved in applying the accounting policies to the financial statements. The Committee also noted that there were no new accounting standards applicable for the current year. In addition, the Committee reviewed reports prepared by management to support the going concern and viability statements and, as requested by the board, compliance with the annual report's 'fair, balanced and understandable' provisions of the 2018 edition of the UK Corporate Governance Code (the '2018 Code'). The Committee recommended approval of the 2025 annual report and financial statements to the board.	The significant issue the Committee considered in relation to the 2025 financial statements was the valuation of unlisted investments as described below.
Valuations of unlisted investments	The Committee recognises that unlisted investments in the Private Capital and Funds pools are a significant component of the company's assets and that their valuation is subject to considerable judgement and uncertainty. The Chair of the Committee also chairs meetings of the Valuation Committee, which scrutinises the valuation of unlisted investments, adherence to the company's valuation policy and consistency of valuation methodologies over time. Reporting is provided to the Committee on the assessments undertaken, including the quality of review and challenge.	The Committee, supported by the work of the Valuation Committee, was conscious that Funds pool valuations are based on the latest NAVs provided by the underlying managers, generally either based on 30 September 2024 or 31 December 2024 valuations, adjusted for cash movements (distributions and drawdowns). The Committee considered market movements since the last NAVs were provided, including those which occurred after the year end and the volatility caused by US global trade policy and tariff announcements. The Committee took comfort from management having considered all available sources of information and performed its own analysis, with the conclusion that market index movements prior to Caledonia's year end did not, in isolation, provide a compelling reason to adjust manager NAVs. The key inputs into the valuation of Private Capital businesses were considered, including the broad range of factors impacting market multiples utilised in the valuation process. An additional exercise conducted by management to consider the impact of US trade policy and tariffs on the portfolio companies, both from a direct and indirect perspective, concluded that, at the time of the assessment, the overall impact was expected to be minimal. This conclusion also provided comfort. BDO's audit partner attends Valuation Committee meetings, with other members of the Audit and Risk Committee invited to participate.
Going concern and viability	The directors are required to make a statement in the annual report as to going concern and Caledonia's longer-term viability. The Committee provides advice to the board on the form and content of this statement, including the underlying assumptions. The Committee evaluated a report from management setting out its view of Caledonia's longer-term viability and the content of the proposed going concern and viability statements. This report was based on the group's base case of forecast liquidity over three years to May 2028, developed from the corporate financial plan. In making this assessment, the directors took comfort from the results of two stress tests over the five-year period to 31 March 2030 that considered the potential impact of significant market downturn conditions. The first stress test addressed two discrete scenarios: a 5% reduction in the value of Sterling versus the US dollar compared to the rate on 31 March 2025 and a 12-month delay to Private Capital pool realisations. The second stress test modelled a market downturn event over a two-year period reflecting: a fall in investment income from the Public Companies and Private Capital pools of 20% and 100% respectively, an inability to realise the Private Capital portfolio and a 50% reduction in distributions from the Funds pool. To simulate an extreme downside scenario, the impact of a market downturn event and all fund commitments falling due was also assessed. A three-year period was chosen given the group's long-term investment objective, the resilience demonstrated by the stress testing and the relatively low working capital requirements of the group.	Taking into account the assessment of the group's stress testing results, the Committee agreed to recommend the going concern and viability statements and three-year viability period to the board for approval. The outcome of this activity led the Committee to recommend to the board to make the statement on page 68.

Financial reporting

Fair, balanced and understandable statement

The Committee reviewed the draft annual report and, taken as a whole, considered it to be fair, balanced and understandable.

To assist in reaching this view, the Committee considered a report prepared by management highlighting the positive and negative statements it included to ensure that they fairly reflected the results for the year. The Committee recommended to the board that the statement of directors' responsibilities in respect of the annual report and the financial statements, set out on page 119, should be signed accordingly.

Assurance

The Committee obtains a range of assurance to provide comfort that the company's controls are providing adequate protection from risk. These include controls assurance reports from management. The Committee also receives input from the external auditor when evaluating the effectiveness of internal controls. Use is also made of external benchmarking and frameworks to provide additional assurance in certain areas of the company's operations. For example, the National Institute of Standards and Technology ('NIST') Cybersecurity Framework (CSF) 2.0 has been used to assess Caledonia's ability to prevent, detect and respond to cyber attacks and also to identify areas for improvement.

Internal control and risk management

The board of directors is responsible for the company's system of internal control and for reviewing its effectiveness. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Committee completed a review of the investment and operational risk dashboards prepared by management, identifying the principal business risks impacting the company, together with the mitigating controls in operation and actions identified for continuous improvement. Following the publication of the 2024 Code, the Committee also considered preparations to support the board's declaration of the effectiveness of the company's material controls in the 2027 annual report.

The Committee considered the effectiveness of the company's internal control environment and the structure in place to resolve identified weaknesses. It reviewed controls assurance reports on human resources, the ERP system and the investment custody services provided to Caledonia by its external custodian. The approach to governance and the control environment of investee companies within the Private Capital pool was also subject to review. Ongoing compliance with requirements for investment trust status was also considered.

A comprehensive update on cyber security, disaster recovery and information technology matters was once again provided to the Committee. This included:

- an overview of the cyber threat landscape
- an update on recent market incidents
- a summary of employee training and regular phishing simulations
- an explanation of Caledonia's maturity against the NIST Cybersecurity Framework
- technology improvements made during the year and the planned roadmap for further developments during the next 12 months and beyond
- the ongoing evolution of cyber resilience and disaster recovery preparedness.

Internal audit

As the company does not have an internal audit function, the Committee considers annually whether there is a need for one. The company is an investment trust and manages its non-consolidated subsidiaries as other private company investments, with each business operating its own risk management processes. The company closely monitors its control environment and those of its private company investments. Specialist external resources are also used when appropriate, for example in testing key cyber security controls. The Committee recommended to the board that an internal audit function was not required at the present time.

External auditor

External auditor	BDO LLP
Appointed	July 2021
Re-appointment	To be proposed at the 2025 annual general meeting
Lead partner	Peter Smith
Lead partner appointed	July 2021
Lead partner rotation	Following the conclusion of the audit for the year ending 31 March 2026

Audit and Risk Committee report (continued)

Audit effectiveness

Audit quality is reviewed continuously throughout the year by both the Chief Financial Officer and the Committee. The focus is centred on the following:

- the quality and seniority of the external auditor's staff
- the use of specialist staff in areas including the valuation of unlisted assets and pensions
- the appropriateness of the planned audit methodology as applied to Caledonia's business activity
- the level of challenge on key areas of judgement and professional scepticism displayed, together with the quality of reporting to the Committee
- the quality of delivery, including achieving key audit project milestones and reporting to the Committee.

The following series of indicators have been established to assess BDO's audit quality:

- FRC quality inspections results, when available
- the percentage of hours of continuity across the engagement team
- partner and manager hours, including independent partner reviews, as a percentage of the total hours on the engagement
- hours of specialist time
- percentage of hours spent ahead of year end compared to those planned
- percentage of key milestones achieved.

During the year, the Committee considered the FRC's Audit Quality Inspection and Supervision Report of BDO, published in July 2024, and sought assurance from the audit partner regarding BDO's response to the FRC's findings. In particular, the Committee sought comfort that BDO's increased market share had not negatively impacted audit quality, the changes made to processes in light of the FRC's report and what impact these may have on recruitment and staff morale. Regular updates on the progress of BDO's response have been sought by the Committee.

The Committee considered the following situations where the auditors had challenged management's assumptions, including:

- the valuation of unquoted investments, specifically the valuation of Private Capital and Fund investments and the risk posed by stale pricing, including the risk of management override of controls
- the valuation of defined benefit pension scheme assets and liabilities, including an expert review.

Independence, objectivity and non-audit work

To safeguard the auditor's independence and objectivity, the Committee maintains a schedule of specific non-audit activities which may not be undertaken by the external auditor, within the broad principles that the external auditor should not audit its own work, should not make management decisions on behalf of the company, should not be put into the role of advocate for the company and that no mutuality of interest should be created between the company and the external auditor. As a result of the rigorous review by the Committee on non-audit services carried out by BDO, reliance on the auditor's internal independence controls is limited.

The Committee has in place a policy for the provision of non-audit services, meeting the requirements of the FRC's Revised Ethical Standard 2024, which was last reviewed in March 2025. Certain non-audit services are prohibited. Permitted services are subject to approval by the Chief Financial Officer and the Committee. Total fees payable for non-audit work carried out by the company's auditor are subject to limits.

The lead audit partner is required to rotate every five years and other key audit engagement partners every seven years. The lead audit partner will therefore be replaced following the conclusion of the audit for the year ending 31 March 2026. No contractual obligations restrict the Committee's choice of external auditor.

For the financial year ended 31 March 2025, the total fees for non-audit services were £114,900, 25% of the total audit fees (2024: £188,500, 18%). For 2025, non-audit fees represented 14% of the average audit fees paid in the previous three financial years and were solely related to BDO's independent review of the company's half-year report. For 2024, the majority of non-audit fees were related to BDO's independent review of the company's half-year report and the balance was incurred by Seven Investment Management, a former investee company, in connection with CASS assurance activities. These services were closely related to the work performance by BDO during the audit or required by law or regulation. Analysis is provided in note 2 to the financial statements on page 139.

During the year, BDO provided non-audit services to associated company Stonehage Fleming. As the company does not control Stonehage Fleming, the Committee has limited oversight over the fees incurred. However, BDO confirmed that appropriate safeguards are in place and an assessment to possible threats to independence from non-controlled affiliates was performed.

The Committee concluded that BDO remains independent and objective, and that the level of non-audit to audit fees remains acceptable.

Key audit matters raised by the external auditor
The following key audit matters were raised by the external auditor:

- valuation of unquoted Private Capital investments
- valuation of Fund investments.

Areas reviewed by the external auditor at the Committee's request
The Committee did not request any specific areas for review by BDO beyond the normal cycle of audit activity.

Private meetings

During the year, the Chair of the Committee met separately and privately with the Chief Financial Officer and BDO. The Committee also met BDO without management present.

Committee evaluation

The activities of the Committee were considered as part of an internal effectiveness review which is summarised on page 77. The board found that the Committee functioned well, with the appropriate balance of membership, skills and experience.

Statement of compliance

This report has been prepared in compliance with the Competition and Markets Authority 2014 Order on statutory audit services for large companies.

Lynn Fordham
Chair of the Audit and Risk Committee
19 May 2025

Governance Committee report

The Governance Committee monitors and reviews the ability of each director to act in the interests of shareholders as a whole and to exercise independence of judgement.

Membership and attendance

The membership and attendance record of the Committee during the year was as follows:

	Meetings attended	Meetings eligible to attend
G B Davison (Chair)	5	5
F A Buckley	5	5
M A Farlow	5	5
C L Fitzalan Howard	5	5
L R Fordham	5	5

Further information on the Governance Committee's terms of reference

Responsibilities

The Committee is responsible for:

- keeping under review corporate governance matters relating to the company
- monitoring and reviewing the company's compliance with the Listing Rules relating to companies with controlling shareholders
- considering the ability of each director to act in the interests of shareholders as a whole and to exercise independence of judgement free from relationships or circumstances that are likely to, or could appear to, affect their judgement
- reviewing actual or potential conflict situations relating to directors, which may require the prior authorisation of the board under the Companies Act 2006, and making recommendations to the board as to whether such situations should be authorised and, if so, whether any conditions, such as duration or scope, should be attached
- an annual review of all actual or potential conflict situations previously authorised by the board to ensure they remain appropriate
- making recommendations to the board in circumstances where it believes that a director may be subject to a conflict of interest that may prejudice their ability to exercise independence of judgement, including that the director abstains from participating in any decision of the board or any of its committees on the matter concerned.

Work of the Committee

The Committee met five times during the year. Particular focus was given to the governance related matters arising from the company seeking from independent shareholders an uncapped waiver of the mandatory offer provisions set out in Rule 9 of The City Code on Takeovers and Mergers in relation to the Cayzer family concert party ('Cayzer Concert Party'). These provisions concerned the obligation that could arise on the Cayzer Concert Party to make a general offer for the entire issued share capital of the company as a result of purchases by the company of ordinary shares. This included, for example, receiving updates on consultation and engagement with independent shareholders, considering the implications for the company and the independent shareholders of seeking the waiver and undertaking a comprehensive review, and associated negotiations of a new relationship agreement between the company and The Cayzer Trust Company Limited ('Cayzer Trust'), as described on page 78, with the support of our advisers. This agreement was subsequently recommended to the board for approval.

Other principal matters considered by the Committee included:

- the review and approval of the Corporate governance and Governance Committee reports for the year ended 31 March 2024
- the influence of the Cayzer Concert Party on Caledonia's board and whether it was in the general interest of the non-Cayzer Concert Party shareholders, with the conclusion that it was
- considering potential governance related matters emerging from succession planning for the company's Chair
- the review and approval, on behalf of the board, of statements of compliance with the independence provisions of the Listing Rules relating to listed companies with controlling shareholders
- the review of potential conflict situations notified by directors in accordance with the Companies Act 2006 and the making of recommendations to the board in relation thereto
- proposed changes to the UK Corporate Governance Code and Listing Rules.

Committee evaluation

The activities of the Committee were considered as part of an internal effectiveness review which is summarised on page 77. The board found that the Committee functioned well, with the appropriate balance of membership, skills and experience.

Guy Davison
Chair of the Governance Committee
19 May 2025

Directors' remuneration report

Annual statement by the Chair of the Remuneration Committee

The Remuneration Committee ensures that remuneration arrangements remain closely aligned to Caledonia's business model and strategy, the ultimate aim of which is to generate long-term compounding real returns that outperform inflation over the medium to long term, and the FTSE All-Share index over 10 years.

Membership and attendance

The membership and attendance record of the Remuneration Committee during the year was as follows:

	Member since	Meetings attended	Meetings eligible to attend
M A Farlow (Chair)	March 2022	3	3
F A Buckley	March 2023	3	3
C L Fitzalan Howard	July 2019	3	3
D C Stewart	July 2015	3	3

Further information on the Remuneration Committee's terms of reference

The Companies Act 2006 requires the company's auditor to report to the shareholders on certain parts of the Directors' remuneration report and to state whether, in its opinion, those parts of the report have been properly prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The parts of the Annual report on directors' remuneration that have been audited are indicated in the report. The Annual statement by the Chair of the Remuneration Committee and the Remuneration policy are not subject to audit.

Dear Shareholder

On behalf of the board, I am pleased to introduce Caledonia's Directors' remuneration report for the year ended 31 March 2025.

Remuneration policy

Our remuneration policy was approved by shareholders at the 2023 annual general meeting by a majority of almost 99%, following consultation with the company's largest shareholders. The principal elements of this policy are reproduced on pages 99 to 104 for ease of reference. During the year, the policy operated as intended with respect to company performance, pay structure and quantum. No changes to the policy are proposed this year.

Our remuneration policy is designed to align the remuneration of Caledonia's leadership team with the experience of our shareholders through the measurement of NAVTR growth and exposure to share price performance and dividends. The policy therefore includes equity-based remuneration in the form of deferral of bonus into shares, long-term performance share scheme awards and shareholding requirements. The Committee aims to ensure that the overall quantum and structure of pay are competitive, but not excessive. Remuneration is linked to the company's long-term strategy and performance and the policy seeks to motivate Caledonia's leadership team to generate sustainable long-term returns. The Committee believes that the current policy aligns the interests of the company's leadership with those of shareholders. For example, Mat Masters, our Chief Executive Officer, holds around eleven times his basic salary in the company's equity via Performance Share Plan awards, mandatory bonus deferral and compliance with our shareholding requirements.

The Committee continues to keep abreast of developments impacting executive pay including, for example, the new UK Corporate Governance Code published by the Financial Reporting Council in January 2024. Small adjustments were made in the year to ensure that the company will comply in full in the current financial year. This included the approval of a new, standalone malus and clawback policy, covering all of the company's discretionary share plans.

Caledonia has a small number of employees based in a single office. This enables the Committee to set the remuneration of both executive directors and senior management in context. Regular reporting provides us with wide-ranging data, including employee attrition rates, promotion decisions and training and development, together with gender pay gap analysis to ensure Caledonia maintains equal pay for work of equal value.

Notwithstanding that Caledonia is not legally required to do so, we have once again reported pay ratio information in relation to the Chief Executive Officer, in accordance with The Companies (Miscellaneous Reporting) Regulations 2018. This information is set out on page 113.

Remuneration for the year ended 31 March 2025

The Annual report on directors' remuneration set out on pages 105 to 114 describes in detail how our remuneration policy has been applied for the year ended 31 March 2025. It is also summarised in Remuneration at a glance on page 98. However, I would like to highlight the following points.

Annual bonus

Half of the bonus for Mat Masters and Rob Memmott was determined by reference to company performance and half subject to the delivery of individual performance objectives. For Jamie Cayzer-Colvin, who has specific responsibility for the Funds pool, 25% of his bonus was determined by reference to company performance, 25% to his pool's performance, 35% to his pool's objectives and 15% to individual performance objectives.

For the 2025 financial year, the company performance element of the annual bonus was assessed by reference to the relative performance of the company's NAVTR against inflation, which for bonus purposes was taken as 3%, or actual inflation if greater, with a 10% pay-out if the company's NAVTR matched inflation, increasing incrementally to the maximum entitlement payable if outperformance of 7% or more was achieved. As described in the remuneration policy, the phased transition from the Retail Prices Index ('RPI') to the Consumer Prices Index including owner occupiers' housing costs ('CPIH') as the measure of inflation for bonus purposes over the three year policy period has continued, weighted 50:50 on RPI:CPIH for the year ended 31 March 2025.

Caledonia delivered NAVTR for the year of 3.3%, matching the increase in inflation (for bonus purposes) of 3.3%, resulting in a payment of 10% for this element. The Funds pool achieved a total return over the year on a constant currency basis of 4.6% which, for Jamie, resulted in no payment for this element. The Committee considered the formulaic outcome to be appropriate and that no exercise of discretion was necessary. After assessing their individual performance and, for Jamie, the attainment of pool objectives, the Committee awarded overall bonuses to Mat and Rob of 55% of basic salary and 52.5% of basic salary to Jamie.

Performance share scheme awards

The remaining two-thirds of the performance share scheme awards granted in 2020 (measured over five years) and the first one-third of the awards granted in 2022 (measured over three years) reached the end of their performance periods in March this year. In each case, the awards were measured by reference to Caledonia's annualised NAVTR over the relevant periods, which was 13.5% for the 2020 awards and 5.4% for the 2022 awards. This led to full vesting of this portion of Mat Masters' and Jamie Cayzer-Colvin's 2020 awards and partial vesting of the 2022 awards.

Mat was previously Head of the Capital portfolio before taking on broader responsibility for the Income strategy in 2019 and his appointment as Chief Executive Officer in 2022. The Capital portfolio's annualised total return (relevant for 53.3% of his 2020 award) was 13.1% (excluding Polar Capital) and the Income portfolio's annualised return (relevant for 26.7% of his 2020 award) was 8.5%. This meant that this portion of his 2020 awards vested in full. The Funds pool's annualised total return, relevant for 60% of Jamie's 2020 and 2022 awards, was 18% and 5.7% respectively, which resulted in this element of his 2020 awards vesting in full and was below the return needed for any of this element of his 2022 awards to vest.

The Committee once again conducted analysis before concluding that no windfall gains have arisen in connection with the vesting of the performance share scheme awards granted in 2020 and 2022. Further analysis is set out on page 106.

The details of the vesting scales for these awards can be found on page 106. The Committee considers that these performance outcomes are appropriate.

The remaining two-thirds of the 2022 performance share scheme awards will be tested in March 2027 at the end of the five-year performance period.

Remuneration for the year ending 31 March 2026

Looking ahead to the 2026 financial year, the basic salaries of Rob Memmott and Jamie Cayzer-Colvin have been increased with effect from 1 April 2025 by 3.5%, broadly in line with inflation, which was the same standard increase applied to the company's other employees.

Mat Masters' basic salary has been increased with effect from 1 April 2025 by 6.8% to £525,000 to recognise progression in his role since appointment as Chief Executive Officer in 2022 and the successful delivery of several strategic initiatives. The Committee also took into account, amongst other factors, the higher salary of Mat's predecessor in the role which, at £540,000, had been unchanged since 2019.

The non-executive director basic fee has been increased by 3.1%. No changes have been made to the fees paid to the chairs and members of the Audit and Risk and Remuneration Committees or to the fee paid to the company's Chair.

We plan to grant performance share scheme awards to the executive directors following the release of our 2025 full-year results in line with our normal grant cycle. These awards will be subject to the same performance measures used for the awards made during 2024, which are summarised in the notes to the remuneration policy table on page 101.

In the coming year, the Remuneration Committee will be undertaking the triennial review of the remuneration policy in preparation for seeking shareholder approval for a revised policy at the 2026 annual general meeting.

The Committee has sought to address each of the following six factors set out in the UK Corporate Governance Code when determining remuneration policy and practice:

Clarity – our policy is understood by directors and senior management and has been clearly articulated to shareholders and investor bodies.

Simplicity – we believe the current remuneration structure is simple and have sought to avoid complex structures which may have the potential to deliver unintended outcomes.

Risk – our policy and approach to target setting seeks to discourage inappropriate risk-taking. We have also embedded malus and clawback provisions where appropriate.

Predictability – incentive arrangements are clearly set out and are subject to individual participation caps.

Proportionality – there is a clear link between the outcome of individual awards, delivery of Caledonia's strategy and long-term performance.

Alignment to culture – pay and policies are cascaded to Caledonia employees and are consistent with Caledonia's purpose, values and strategy.

Directors' remuneration report (continued)
Annual statement by the Chair of the Remuneration Committee

Share Incentive Plan

Following shareholder approval at last year's annual general meeting, our all-employee Share Incentive Plan will be launched during the 2026 financial year. The Share Incentive Plan is an HMRC approved plan and will offer all employees, irrespective of seniority, the opportunity to build up a tax-efficient equity stake in the company. This is in line with our long-term approach and will further encourage a share ownership culture amongst employees.

Committee evaluation

The activities of the Committee were considered as part of an internal effectiveness review which is summarised on page 77. The board found that the Committee functioned well, with the appropriate balance of membership, skills and experience.

Finally, I would like to take this opportunity once again to thank my colleagues on the Committee for their continued diligence and support over the past year.

Anne Farlow
Chair of the Remuneration Committee
19 May 2025

Remuneration at a glance

Element	Year 1	Year 2	Year 3	Year 4	Year 5	Year 5+	Application in the year ended 31 March 2025	Application in the year ending 31 March 2026
Salary	→						**Salary** Mat Masters: £491,500 Rob Memmott: £437,000 Jamie Cayzer-Colvin: £400,500	**Salary** Mat Masters: £525,000 Rob Memmott: £452,300 Jamie Cayzer-Colvin: £414,600
Pension	→						**Pension entitlement** 15% of salary	
Other benefits	→						**Other benefits** Family private medical insurance, death-in-service insurance, permanent health insurance Directors' and officers' liability insurance Mat Masters and Jamie Cayzer-Colvin: a legacy cash allowance in lieu of a company car	
Bonus Malus and clawback provisions apply	Up to 50% of salary in cash	Mandatory deferral in shares of any bonus exceeding 50%					**Annual bonus** Mat Masters: £270,325 Rob Memmott: £240,350 Jamie Cayzer-Colvin: £210,263	**Annual bonus** Maximum bonus potential: 100% of salary
Performance share scheme Malus and clawback provisions apply	1/3 of award: performance measured over three years			Post-vesting holding period			**PSS award** 150% of salary Mat Masters: 21,620 shares Rob Memmott: 19,223 shares Jamie Cayzer-Colvin: 17,617 shares	**PSS award** 150% of salary
	2/3 of award: performance measured over five years							
Shareholding requirement	→						**Shareholding requirement** Mat Masters: 200% of salary Rob Memmott and Jamie Cayzer-Colvin: 150% of salary	

Directors' remuneration report

Remuneration policy

Introduction

Set out below are the material elements of the directors' remuneration policy approved by shareholders at the annual general meeting held on 19 July 2023. This policy came into effect from that date and will apply until a revised remuneration policy is approved by shareholders, which it is expected will be proposed at the annual general meeting in 2026.

Implementation of the policy

There have been no changes to the current policy since its implementation and the extracts included below are for information only and to provide context for the 2025 Annual report on directors' remuneration which follows. Executive directors' service contract information has been updated.

The full directors' remuneration policy is contained on pages 75 to 82 of the company's 2023 annual report, which is available in the 'Results & reports' section of Caledonia's website at www.caledonia.com.

Under the current statutory regime, a company may make a remuneration payment to a director or a payment for loss of office only if it is consistent with the most recently approved remuneration policy or, if not, an amendment to the policy to allow the payment must be separately approved by shareholders. The Remuneration Committee considers that an effective remuneration policy needs to be sufficiently flexible to take account of future changes in the company's business environment, and in remuneration practice generally. In framing its policy, the Remuneration Committee has therefore sought to combine a level of breadth and flexibility to enable it to react to changed circumstances without the need for a specific shareholder approval, whilst at the same time incorporating sufficient detail and transparency to enable shareholders to understand how it will operate in different scenarios and feel comfortable that payments made under it are justified.

Components of remuneration where the Remuneration Committee wishes to retain a level of discretion are identified in the relevant sections of the policy. The Remuneration Committee may also make minor amendments to the remuneration policy to aid its operation or implementation without seeking shareholder approval, for example to take account of a change in legislation or for regulatory, exchange control, tax or administrative purposes, provided that any such change is not to the material advantage of the directors.

Legacy arrangements

The policy is essentially forward-looking in nature. In view of the long-term nature of the company's remuneration structures — including obligations under service contracts, pension arrangements and incentive schemes — a substantial number of pre-existing obligations will remain outstanding at the time that the new policy is approved, including obligations that are 'grandfathered' by virtue of being in force prior to the introduction of the binding remuneration policy regime in the UK on 27 June 2012 or which were incurred under the previous remuneration policies approved by shareholders. It is the company's policy to honour in full any pre-existing obligations that have been entered into prior to the effective date of this policy.

Objectives

The key objectives of the Remuneration Committee in setting the company's remuneration policy are as follows:

- remuneration of executive directors should be linked to the company's long-term performance and its business strategy
- performance-related remuneration should seek to align the interests of executive directors with those of the shareholders
- a significant proportion of executive directors' remuneration should be linked to the performance of the company and receivable only if demanding performance targets are achieved
- remuneration packages for executive directors should be competitive, but not excessive, in terms of market practice, in order to attract, retain and motivate executive directors of the quality needed to manage and grow the company successfully.

Remuneration structure

Executive directors

The table below sets out Caledonia's policy in relation to each component of executive director remuneration, with further explanations in the notes that follow.

Salary (fixed pay)

Purpose and link to strategic objectives	To support the recruitment and retention of executive directors of the calibre required to manage and grow the company successfully.
Operation	Reviewed annually.
Opportunity and recovery or withholding provisions	Salary increases are normally awarded by reference to any increase in the salaries of other Caledonia staff/the cost of living, but may take into account other factors such as external market positioning, change in the scope of the individual's responsibilities or level of experience, development in the role and levels of pay elsewhere in the company. Normally year on year increases in basic salaries will not exceed inflation by more than 5%, other than where there is a significant change in role or responsibilities or in such other circumstances as the Remuneration Committee may determine. No recovery or withholding provisions.
Performance measurement framework	Not applicable.

Directors' remuneration report (continued) Remuneration policy

Benefits (fixed pay)

Purpose and link to strategic objectives	To provide a range of benefits alongside basic salary to recruit and retain high calibre executive directors.
Operation	Executive directors are provided with family private medical insurance cover, death-in-service insurance, and permanent health insurance and, in the case of Mr Masters and Mr Cayzer-Colvin, a legacy cash allowance in lieu of a company car. They are also entitled to receive minor benefits that are available to other Caledonia staff. The executive directors are also covered by the company's directors' and officers' liability insurance policy and have the benefit of an indemnity under the company's articles of association. Where there is a valid business reason for doing so, the company may pay for the cost of spouses or partners accompanying directors on business trips and reimburse directors for hotel accommodation and travel expenses (including payment of any tax thereon). Executive directors are also eligible to receive other minor benefits and expenses payments (again including payment of any tax thereon). Executive directors will be eligible to participate in any all-employee share schemes of the company on the same basis as other employees.
Opportunity and recovery or withholding provisions	A taxable benefits package that is competitive with the marketplace. The value of taxable benefits provided, other than ad hoc items incurred in connection with Caledonia's business that may be deemed taxable benefits such as travel and other expenses, will not in aggregate exceed 10% of basic salary. No recovery or withholding provisions.
Performance measurement framework	Not applicable.

Short-term incentives (variable pay)

Purpose and link to strategic objectives	To reward performance on an annual basis against key financial, operational and individual objectives.
Operation	Discretionary annual bonus scheme and deferred bonus plan under which a proportion of bonus may be compulsorily deferred into shares. Bonus is not pensionable.
Opportunity and recovery or withholding provisions	The maximum potential bonus is 100% of basic salary. Any bonus over 50% of basic salary is compulsorily deferred into shares for a period of three years. Participants will also receive an amount or additional number of shares equal to the value of the dividends that would have accrued on the deferred shares. All bonus payments are subject to the overriding discretion of the Remuneration Committee, which also retains discretion to amend the proportions of bonus subject to compulsory deferral or not to require any deferral in exceptional circumstances. In order to be entitled to an annual bonus, an executive director must normally be in the group's employment and not under notice of termination (either given or received) at the time the bonus is paid. The Remuneration Committee has the right to cancel or reduce any cash bonus or deferred bonus shares granted after the effective date of this policy which have not yet been paid or vested. The Remuneration Committee also has the right to recover all or part of cash bonus paid or deferred bonus shares and dividend shares or equivalent amounts awarded after 29 July 2020 within the two years following date of payment or vesting as applicable.
Performance measurement framework	By reference to a combination of company performance against external benchmarks and individual performance against personal objectives. Executive directors with responsibility for pools of capital will have a proportion of bonus determined by reference to pool performance and objectives.

Long-term incentives (variable pay)

Purpose and link to strategic objectives	To motivate executive directors to deliver long-term shareholder value, thereby aligning the interests of management with those of shareholders. To encourage long-term retention of key executives.
Operation	A performance share scheme under which participants are granted awards (normally in the form of nil-cost options) over the company's shares.
Opportunity and recovery or withholding provisions	The maximum value of awards that may be granted in any year is 200% of basic salary, although the company's current intention is to grant annual awards of no more than 150% of basic salary. Participants will also receive an amount or additional number of shares equal to the value of the dividends that would have accrued on the shares awarded. Performance is measured over three years for one-third of awards which is subject to a post-vesting holding period, on an after-tax basis, of two years. The remaining two-thirds of awards is subject to performance over five years, with no post-vesting holding requirement. The Remuneration Committee has the right to cancel or reduce long-term incentive awards which have not yet vested. The Remuneration Committee also has the right to recover all or part of the value of long-term incentive awards and dividend equivalents received within two years of the date that such awards vested and became exercisable.
Performance measurement framework	For executive directors who are not directly responsible for a pool of capital, awards under the performance share scheme are subject to the performance of the company's annualised diluted net asset value per share total return ('NAVTR') measured over three or five years. For executive directors directly responsible for a pool of capital, the awards are subject to a combination of the performance of the company's annualised NAVTR as above and the annualised total returns achieved by the relevant pool for which he or she is responsible, again measured over three or five years. The rules of the scheme provide discretion to the Remuneration Committee to amend the performance targets or impose different performance targets and to determine the appropriate proportion of any award subject to each performance measure.

Pension related benefits (fixed pay)

Purpose and link to strategic objectives	To provide a means of retirement saving as part of a range of benefits alongside basic salary to recruit and retain high calibre executive directors.
Operation	Executive directors are offered defined contribution funding, based on a percentage of salary, to a personal pension scheme or a cash salary supplement (or a combination of both) at their choice.
Opportunity and recovery or withholding provisions	Executive directors receive the same percentage of basic salary as a pension contribution as all Caledonia's staff, currently 15%. If a director chooses to take a cash supplement in lieu of some or all of their pension entitlement, the payment is reduced by such amount as is necessary to make the cash supplement cost neutral for the company after taking into account National Insurance contributions. No recovery or withholding provisions.
Performance measurement framework	Not applicable.

Notes to the policy table

1. **Performance measures and targets**

Annual bonus
For the Chief Executive Officer and the Chief Financial Officer, a maximum of 50% of bonus is determined by reference to company performance and 50% by reference to individual performance objectives. For executive directors responsible for a specific pool of capital, 25% of bonus is determined by reference to the company's performance, 25% to pool performance, 35% to pool objectives and 15% to individual performance objectives. In all cases, the company performance element is determined by reference to the relative performance of the company's NAVTR against inflation. The inflation benchmark will transition from RPI to CPIH over the three-year policy period, weighted 67:33 on RPI:CPIH for the 2024 financial year, moving to 50:50 for 2025, 33:67 for 2026 and 100% on CPIH for 2027.

Inflation is taken as the higher of the weighted RPI/CPIH benchmark over the bonus year or 3%, being broadly in line with its historic long-term average. Bonus payments for this element currently commence with a 10% pay-out if NAVTR matches the inflation benchmark, increasing incrementally to the maximum entitlement payable if outperformance of 7% or more is achieved. Pool performance is judged by the Remuneration Committee by reference to the return achieved by the pool against a set target return and by objectives such as deal flow and delivery of portfolio strategy. Individual performance is assessed by reference to personal objectives set at the start of the year, including non-financial measures such as risk management, environmental, social and governance matters, marketing of the company, team leadership and engagement, management skills and promotion of Caledonia's corporate culture and profile both internally and externally.

The Remuneration Committee retains discretion to amend or adopt alternative annual bonus targets and/or levels in future years in order to achieve better alignment with the company's strategic objectives.

Compulsory deferral of bonus
Deferred bonus plan
Shares subject to compulsory deferral will normally only vest if the director remains an employee of the Caledonia group for a three-year period commencing on the first day of the financial year in which the award is made.

Long-term incentive plans
Performance share scheme
One-third of awards granted will be measured over three years and two- thirds over five years. In all cases, shares that vest will become immediately exercisable/transferable and, if the award is structured to grant nil-cost options, will lapse if not exercised within ten years of grant.

Awards granted to the Chief Executive Officer and Chief Financial Officer will vest on a graduated basis, with vesting currently commencing at 10% on the achievement of an annualised NAVTR of 3%, rising incrementally to 100% vesting on achievement of an annualised NAVTR of 10%, measured over three and five years. For Mr Cayzer-Colvin, who is head of the Funds pool, 60% of his performance share scheme awards will be measured against the annualised total returns achieved by the Funds pool, measured over three and five years. Awards will similarly vest on a graduated basis, with vesting commencing at 10% on achievement of an annualised Funds pool total return of 6%, rising incrementally to 100% vesting on achievement of an annualised total return of 13.5%. The remaining 40% of Mr Cayzer-Colvin's performance share scheme awards will be measured against Caledonia's annualised NAVTR as above.

Malus and clawback provisions
The Remuneration Committee has the right to cancel or reduce any cash bonus or deferred bonus shares granted which have not yet been paid or vested and long-term incentive awards which have not yet vested, in the event of a material misstatement of the company's financial results, miscalculation of a participant's entitlement, individual misconduct or an event resulting in material loss or reputational damage to the company or any member of the group. The Remuneration Committee may, acting fairly and reasonably, reduce the level of vesting to take account of any matter which it considers appropriate including the broader performance of the company, the shareholder experience and the conduct of the participant.

The Remuneration Committee also has the right to recover all or part of cash bonus paid or deferred bonus shares and dividend shares or equivalent amounts awarded after 29 July 2020 within the two years following date of payment or vesting as applicable and the value of long-term incentive awards and dividend equivalents received within two years of the date that such awards vested and became exercisable, in the event of a material miscalculation of a participant's entitlement, a material misstatement or restatement of the company's financial results for the years to which the performance periods relate, or material personal misconduct that would justify summary dismissal, result in significant reputational damage to the company, have a material adverse effect on the company's financial position, or reflect a significant failure of the company's risk management or control.

Rationale for choice of performance measures for the short and long-term incentive plans
The Remuneration Committee has chosen NAVTR as the basis of performance measurement for the company for both its short-term and long-term incentive arrangements as it regards this as the best indicator of the success or failure of management decisions in terms of creating value for the company.

For the company performance element of the annual bonus scheme, the board has taken the view that benchmarking against a stock market index or indices over a short period is not relevant given Caledonia's long-term investment horizon and the nature of its portfolio. The Remuneration Committee has therefore instead chosen UK inflation, subject to a minimum of 3%, as the comparator, as on this basis executives will only be rewarded to the extent that they are able to deliver positive real returns for shareholders. The Remuneration Committee will review the rate of increase in UK inflation at the start of each financial year and may adjust the level of outperformance required for the incremental and maximum bonus payments in order to ensure that they remain a fair measure of performance.

For awards under the performance share scheme, the Remuneration Committee has chosen Caledonia's annualised NAVTR as the performance measurement, as it believes that this is the most effective method of aligning directors' rewards with the long-term strategic objective of the company of delivering annualised returns over rolling ten-year periods of between inflation +3% and inflation +6% over the medium and longer term. For Mr Cayzer-Colvin, the Remuneration Committee believes that a significant proportion of his variable pay should be weighted towards the annualised total return performance of the Funds pool of capital for which he is responsible and has therefore determined that 60% of his performance share scheme awards should be tested by reference to this.

The targets for each component of the long-term incentive plans have been set by the Remuneration Committee with the aim of delivering increasing reward for greater outperformance. The Remuneration Committee keeps these under review and may adjust the measures and levels at which incremental and maximum entitlements are earned in order to ensure that they remain sufficiently challenging and aligned with the company's strategy and key performance indicators.

2. **How the remuneration policy for executive directors relates to remuneration of Caledonia group employees generally**
Caledonia applies a similar reward philosophy for group employees. Executive directors' remuneration packages tend to be higher than those of other employees, but also include a higher proportion of variable pay.

Directors' remuneration report (continued)
Remuneration policy

Chair and non-executive directors

The table below sets out each component of the Chair's and the non-executive directors' remuneration and the approach taken by the company in relation thereto.

Component	Approach
Chair's and non-executive directors' fees	The Chair's fee is determined by the Remuneration Committee and the non-executive directors' fees are set by the board (excluding the non-executive directors). These are reviewed periodically taking into account the responsibilities and time commitments required and non-executive director fee levels generally. The Chair receives an annual fee, which includes their basic non-executive director's fee, but does not receive any other remuneration. Non-executive directors receive basic fees, which are subject to an aggregate annual limit for non-executive directors' ordinary remuneration contained in the articles of association, currently £600,000. In addition, special fees are paid to the chair and members of the Audit and Risk and Remuneration Committees and also for the role of Senior Independent Non-Executive Director and Chair of the Governance Committee. Additional fees may be payable for other additional board responsibilities and/or time commitment.
Additional fees payable for services to other group companies	Exceptionally, non-executive directors may receive fees in connection with subsidiary and investee companies for services provided to them. Fees for services provided to such companies are set and reviewed by the boards of those companies, but will not exceed £100,000 per annum in aggregate for any non-executive director.
Other benefits	The Chair and the non-executive directors are all covered under the company's directors' and officers' liability insurance policy and have the benefit of an indemnity under the company's articles of association. The Chair is also provided with an office and secretarial support. The company may, where appropriate, pay for the cost of spouses or partners accompanying non-executive directors on trips where there is a business reason for doing so and reimburse non-executive directors for hotel accommodation and travel expenses (in each case including payment of any tax thereon).

Remuneration policy for new appointments

Executive directors

In the case of the appointment of a new executive director, the Remuneration Committee would typically seek to align the remuneration package with the above remuneration policy.

The Remuneration Committee however retains the discretion to make special remuneration commitments on the appointment of a new executive director, including the use of awards made under Rule 9.3.2 of the UK Listing Rules (formerly Rule 9.4.2), if such were necessary to ensure the recruitment of a candidate. In doing so, the Remuneration Committee would take into consideration all relevant factors, including, but not limited to, overall quantum, type of remuneration offered and comparability with the packages of other Caledonia senior executives and the total variable pay would not exceed the maxima stated in the policy table for executive director remuneration above.

The Remuneration Committee may in addition make bonus commitments or share awards on the appointment of an external candidate to compensate for remuneration arrangements forfeited or foregone on leaving a previous employer, taking into account factors such as any performance conditions attached to these awards, the form in which they were granted, for example cash or shares, and the time over which they would have vested. The aim would be to ensure that replacement awards would be made on no greater than a comparable basis.

In order to attract and retain suitable executives, the Remuneration Committee retains discretion, in exceptional circumstances, to offer service contracts with up to an initial 24 month notice period, which then reduces to 12 months at the end of this initial period. If it considers it appropriate, the Remuneration Committee may also offer a lower salary initially, but with a series of increases to achieve the desired salary positioning over a period of time, as the individual develops into the role.

If a new appointment is the result of an internal promotion, the Remuneration Committee would expect to honour any pre-existing contractual arrangements or benefits package agreed with the relevant individual. In the event that a new director needs to relocate to take up the role, the Remuneration Committee may agree a reasonable relocation package and tax equalisation arrangements.

In recruiting any new executive director, the Remuneration Committee would apply the overall policy objective that executive directors' remuneration should be competitive, but not excessive. In the event that the Remuneration Committee determines that it is necessary for special commitments or sign-on arrangements to be offered to secure the recruitment of a new executive director, an explanation of why these are required and details thereof would be announced at the time of appointment.

Chair and non-executive directors
Terms for the appointment of any new Chair or non-executive director would also be determined by the Remuneration Committee or the board within the above remuneration policy.

Executive directors' service contracts and the Chair's and non-executive directors' letters of appointment

Executive directors
Executive directors have service contracts with Caledonia Group Services Ltd, a wholly-owned subsidiary of the company, details of which are summarised below:

	Date of contract	Notice period for company and director	Unexpired term
M S D Masters	15 May 2008	12 months	12 months
R W Memmott	22 May 2023	12 months	12 months
J M B Cayzer-Colvin	19 Apr 2005	12 months	12 months

If notice is served by either party, the director can continue to receive basic salary, benefits and pension payments for the duration of the notice period, during which time the company may require the individual to continue to fulfil their current duties or may assign a period of gardening leave. Alternatively, the company may, in its discretion, terminate the contract without notice and make a lump sum payment in lieu of notice. This lump sum would include an amount equivalent to the basic salary and benefits (based on a fixed percentage of salary specified in the service contract) for the unexpired period of notice to which the payment relates. Mr Masters' and Mr Cayzer-Colvin's service contracts provide that an amount equivalent to 80% of the average of the annual bonuses paid for the previous three financial years would also be included in the payment in lieu of notice. Mr Masters' and Mr Cayzer-Colvin's service contracts also include provisions whereby a liquidated sum is payable in the event of termination within one year following a change of control. The payment would be calculated on the same basis as a payment in lieu of notice, except that an amount equivalent to 100% of the average of the annual bonuses paid for the previous three financial years would be included.

Mr Memmott's service contract contains provisions whereby, as an alternative to the payment of a lump sum in lieu of notice, the company may elect to pay the equivalent amount in equal monthly instalments, such instalments to be reduced by 50% of one-twelfth of the basic salary in excess of £20,000 per annum that Mr Memmott receives from any alternative employment that he takes up during the notice period.

Executive directors' service contracts may be terminated without notice and without any further payment (other than in respect of amounts due at the date of termination) on the occurrence of certain events such as gross misconduct.

Chair and non-executive directors
The Chair and the non-executive directors do not have service contracts, but are appointed under letters of appointment, which provide for termination without notice or compensation.

Inspection
Executive directors' service contracts and the Chair's and non-executive directors' letters of appointment are available for inspection at the registered office of the company.

Policy on external non-executive directorships held by executive directors

It is the company's policy to allow executive directors to hold non-executive directorships unrelated to the company's business to broaden their commercial experience, provided that the time required is not material. Normally the company will retain any fees arising from such non-executive directorships, but may permit the executive director to retain fees on a case-by-case basis.

Policy on payments for loss of office

Executive directors
It is the policy of the company that, other than in exceptional circumstances on recruitment as stated above, no executive director should be offered a service contract that requires more than one year's notice of termination or which contains provision for predetermined compensation in excess of one year's total emoluments. In the event of a termination, the Remuneration Committee will consider a director's past performance and the circumstances of the departure in exercising any discretions relating to the arrangements for loss of office, including contractual obligations, prevailing best practice, the reason for the departure and any transition or handover required.

The termination provisions in executive directors' current service contracts are described above in the section on executive directors' service contracts. It is the Remuneration Committee's intention that all future executive directors' service contracts should include provisions enabling the company to reduce compensation payments in the event that the director takes up alternative employment within the notice period. However, if a new director is appointed internally, the Remuneration Committee would expect to honour any existing contractual arrangements agreed with the relevant individual before he or she becomes a director.

In applying the company's right to make a lump sum payment in lieu of notice, the Remuneration Committee would normally expect to prorate the lump sum for the unexpired period of notice to which the payment relates.

The company's annual bonus scheme provides that an employee must be in the group's employment and not under notice of termination (either given or received) in order to be entitled to receive a bonus for the relevant financial year. The Remuneration Committee would expect to apply this principle to executive director terminations, but retains discretion to make bonus payments on termination if it believes it appropriate to do so. If any bonus payment is made, the Remuneration Committee also retains discretion as to whether it will require any part of the bonus to be deferred into shares under the deferred bonus plan.

Directors' remuneration report (continued) Remuneration policy

Executive directors would also be entitled under their service contracts to be paid on termination for any accrued, but untaken, holiday entitlement. The Remuneration Committee may, where it considers it appropriate in the circumstances, make payments for loss of statutory rights or waiver thereof and a contribution towards legal and outplacement fees. The Remuneration Committee may also make a payment to ensure that any restrictive covenants remain enforceable.

Where the director holds unvested awards under the company's long-term incentive schemes, the Remuneration Committee may exercise its discretions as to vesting in accordance with the relevant scheme rules. In good leaver circumstances, for example where cessation of employment is by reason of death, retirement, injury, disability, ill-health, redundancy, or such other reason as the Remuneration Committee may decide, the Remuneration Committee will normally determine the level of vesting based on the attainment of the performance targets, either at the time of cessation or at the normal test date if permitted by the scheme rules, but in the case of the former may decrease or increase the level of vesting if the Remuneration Committee considers that the targets would have been met to a lesser or greater extent at the end of the performance period. The number of shares that vest will normally be reduced to reflect the proportion of the performance period that the director was in employment, although the Remuneration Committee has discretion not to scale down the number of shares if it believes it appropriate in the circumstances. The Remuneration Committee has the discretion to assess good leaver treatment for participants should circumstances change after the date they leave but prior to vesting. Any holding period will continue to apply in respect of shares held by a leaver, unless otherwise determined by the Remuneration Committee.

Where the director holds unvested awards under the company's deferred bonus plan, the Remuneration Committee may exercise its discretion as to vesting in accordance with the relevant scheme rules. In good leaver circumstances, awards will vest on leaving employment.

Following termination, the company may continue insurance related benefits for the former employee until the end of the insurance policy period. The company's directors' and officers' liability insurance policy also provides for a six-year period of run-off cover for former directors. A director may remain in employment after ceasing to be a director for a limited period to allow time for an effective handover or for a successor to be appointed.

In the event of a change of control before the expiry of the performance measurement period of a long-term incentive award, the vesting level of the award will be determined by the Remuneration Committee based on the extent to which the Remuneration Committee considers that the performance targets have been achieved and vested shares will then be scaled down to reflect the shortened measurement period. The Remuneration Committee may modify such vesting levels if it considers that the performance target would be met to a greater or lesser degree at the testing date and/or if the application of time prorating would be inappropriate in the circumstances.

Chair and non-executive directors

The Chair and the non-executive directors have no entitlement to any compensation on termination of their appointments, although they would have the benefit of run-off cover under the directors' and officers' liability insurance policy as described above. However, in appropriate circumstances they may receive de minimis retirement gifts from the company.

Executive directors' minimum shareholding guidelines

In order to align the interests of executive directors with those of shareholders, the Remuneration Committee has adopted guidelines for minimum shareholdings, which executive directors will be expected to attain through the retention of all post-tax share awards vesting under the company's long-term incentive plans until the minimum shareholding is met. For these purposes, shareholdings include those of connected persons and also the value, net of any exercise costs, income tax and National Insurance contributions, of unexercised awards granted under its performance share scheme for which the performance targets have been met. Also included are bonuses deferred compulsorily under the company's deferred bonus plan, again net of income tax and National Insurance contributions.

In addition, executive directors are subject to a post-cessation shareholding requirement of two years, with the Committee retaining discretion to override this arrangement, for example, for regulatory reasons, on compassionate grounds or where an executive experiences financial hardship.

For the Chief Executive Officer, the minimum guideline shareholding has been set at 200% of basic salary and for other executive directors 150% of basic salary.

Directors' remuneration report

Annual report on directors' remuneration

The following report sets out details and explanations of remuneration paid to directors over the financial year ended 31 March 2025 and describes how Caledonia's remuneration policy will be implemented for the 2026 financial year.

Single total figure of remuneration for each director (audited)

Executive directors

The table below provides an analysis of total remuneration of each executive director for the financial year ended 31 March 2025 and a comparison with the previous financial year.

	M S D Masters		R W Memmott[a]		J M B Cayzer-Colvin		W P Wyatt[b]	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed remuneration and benefits								
Salary	492	473	437	245	401	385	n/a	n/a
Taxable benefits[1]	19	25	10	4	28	29	n/a	n/a
Pension related benefits	66	63	58	32	53	51	n/a	n/a
Total fixed remuneration	576	561	505	281	481	465	n/a	n/a
Variable remuneration								
Short-term incentives[2]	270	338	240	175	210	234	n/a	n/a
Long-term incentives[3]	578	477	–	–	592	681	391	624
Total variable remuneration	848	815	240	175	802	915	391	624
Total	1,424	1,376	745	456	1,284	1,380	391	624

Due to rounding, individual columns do not necessarily add up to the total.

a. Rob Memmott was appointed to the board as Chief Financial Officer on 1 September 2023.
b. Will Wyatt ceased to be an executive director on 27 July 2022. The figures relating to long-term incentives reflect certain awards he retained from his employment. The fees he received as a non-executive director after that date are excluded from the table above and are shown in the table of non-executive director fees on page 107.

1. **Taxable benefits**
   Taxable benefits principally comprised private medical insurance cover, a small Christmas supplement paid to all Caledonia's employees and business-related expense reimbursements deemed to be taxable by HMRC. The taxable benefits for Mat Masters and Jamie Cayzer-Colvin also included legacy cash allowances of £7,776 and £15,024 respectively in lieu of a company car.

   In addition to taxable benefits, other non-taxable benefits were provided to executive directors, including death-in-service insurance (4x basic salary), permanent health and income protection insurance, directors' and officers' liability insurance and certain other benefits of minor value provided to all of Caledonia's employees.

2. **Short-term incentives**

   Bonus metrics
   For Mat Masters and Rob Memmott, a maximum of 50% of bonus was determined by reference to company performance and 50% by reference to individual performance objectives. For Jamie Cayzer-Colvin, who has specific responsibility for the Funds pool, 25% of his bonus was determined by reference to the company's performance, 25% to his pool's performance, 35% to his pool's objectives and 15% to individual performance objectives.

   Company performance
   For the 2025 financial year, the company performance element was determined by reference to the relative performance of the company's NAVTR against inflation, which for bonus purposes was taken as 3%, or actual inflation if greater (weighted 50:50 on RPI:CPIH), with bonus payments for this element commencing with a 10% pay-out if the company's NAVTR matched inflation, increasing incrementally to the maximum entitlement payable if outperformance of 7% or more was achieved. The company's NAVTR was 3.3% over the year against an increase in inflation (for bonus purposes) of 3.3%, giving a payment of 10% for this element.

   Funds performance
   Jamie Cayzer-Colvin's pool performance was assessed by reference to the return achieved by the Funds pool over the year on a constant currency basis, with payments commencing on achievement of a total return of 6%, rising to a maximum pay-out against a total return of 13.5%. The Funds pool's return over the year was 4.6%, giving no payment for this element.

Individual performance objectives
The Committee assessed performance against the individual objectives which included the following:

Name	Objective
M S D Masters	• Supporting evolution of Funds pool strategy • Provide leadership to investor relations strategy • Evaluation of share buy back programme
R W Memmott	• Oversight of finance team changes including onboarding of new team members • Implementation of improvements to the provision of systemised, integrated and strategically focused management information • Establishment of new Revolving Credit Facility arrangements • Planning and execution of the first in a series of "spotlight" events for investors and analysts • Continued development of investor relations capability and activity
J M B Cayzer-Colvin	• Supporting succession planning and team development • Supporting the integration of data management across company functions • Oversight of enhancement to Cayzer House facilities • Driving Caledonia's charitable activities and internship programme

The Committee decided to award the maximum bonus for individual performance for Mat Masters, Rob Memmott and Jamie Cayzer-Colvin.

Funds pool objectives
In assessing Jamie Cayzer-Colvin's achievement of his pool objectives, the Committee took account of:

- evolution of the Funds pool strategy
- assessment of secondary market opportunities
- development of collaboration in relation to data management across company functions
- engagement with general and limited partners
- development of portfolio management processes.

It was concluded that Jamie Cayzer-Colvin should be awarded a bonus of 35% of salary for attainment of pool objectives.

Directors' remuneration report
Annual report on directors' remuneration (continued)

Total bonuses
The total bonuses awarded to the executive directors for the year were therefore determined as follows:

	M S D Masters		R W Memmott		J M B Cayzer-Colvin	
	Award %	Max %	Award %	Max %	Award %	Max %
Performance						
Company	5	50	5	50	2.5	25
Pool	n/a	n/a	n/a	n/a	–	25
Objectives						
Pool	n/a	n/a	n/a	n/a	35	35
Individual	50	50	50	50	15	15
Total	55	100	55	100	52.5	100

In accordance with the company's remuneration policy, the following amounts included in the short-term incentives row for 2025 will be compulsorily deferred via the deferred bonus plan for a period of three years in the form of nil-cost options:

	M S D Masters		RW Memmott		J M B Cayzer-Colvin	
	2025 £,000	2024 £,000	2025 £,000	2024 £,000	2025 £,000	2024 £,000
Compulsorily deferred	25	102	22	–	10	41
Cash	246	236	219	175	200	193
Total[a]	270	338	240	175	210	234

a. Due to rounding, individual columns do not necessarily add up to the total.

3. Long-term incentives
The long-term incentive awards for which performance measurement periods ended during the year were two-thirds of the awards granted in 2020 under the performance share scheme and one-third of the awards granted under that scheme in 2022. All such awards were nil-cost options. The performance measures and outturn following testing for the awards made to the executive directors were:

	Year of award	Performance measure	% of award	Performance outturn %	% vested
M S D Masters	2020	NAVTR[a]	20	13.5	100
		Capital portfolio TR[b]	53.3	13.1	100
		Income portfolio TR[c]	26.7	8.5	100
	2022	NAVTR[a]	100	5.4	48
W P Wyatt	2020	NAVTR[a]	100	13.5	100
J M B Cayzer-Colvin	2020	NAVTR[a]	40	13.5	100
		Funds pool TR[d]	60	18.0	100
	2022	NAVTR[a]	40	5.4	48
		Funds pool TR[d]	60	5.7	–

a. Vesting on a graduated basis, commencing at 10% on achievement of an annualised NAVTR of 3%, rising incrementally to 100% vesting on an annualised NAVTR of 10% over five years for the 2020 awards and over three years for the 2022 awards.
b. Vesting on a graduated basis, commencing at 10% on achievement of an annualised total return of 4%, rising incrementally to 100% vesting on achievement of an annualised total return of 11% over five years for the 2020 awards. The performance metric excluded Polar Capital which, if included, increased the outturn for the 2020 awards to 13.2%.
c. Vesting on a graduated basis, commencing at 10% on achievement of an annualised total return of 3.5%, rising incrementally to 100% vesting on achievement of an annualised total return of 7% over three years.
d. Vesting on a graduated vesting basis, commencing at 10% on achievement of an annualised total return of 6%, rising incrementally to 100% vesting on achievement of an annualised total return of 13.5% over five years for the 2020 awards and over three years for the 2022 awards. The performance metric for the 2020 and 2022 awards was measured on a constant currency basis (17.1% and 5.8% respectively on a Sterling basis).

The remaining two-thirds of the awards granted in 2020 will vest on 4 August 2025. The first one-third of the awards granted in 2022 will vest on 30 May 2025 and will be subject to a post-vesting holding period of two years. The values, as reflected in the 2025 long-term incentives row above, are calculated using the three-month average share price to 31 March 2025 of 3737.23p, together with the value of dividends that will have accrued on the shares at vesting. The overall value of the long-term incentives shown in the table above are therefore analysed as follows:

	Estimated value of long-term incentive awards at vesting £	Value of dividend equivalents at vesting £	Estimated total at vesting[a] £
M S D Masters	511,365	66,465	577,831
J M B Cayzer-Colvin	521,680	70,499	592,179
W P Wyatt	344,012	47,323	391,335

a. Due to rounding, individual rows do not necessarily add up to the total.

The estimated value attributable to share price appreciation since grant in 2020 and 2022, based on the three-month average share price to 31 March 2025, for Mat Masters, Jamie Cayzer-Colvin and Will Wyatt was £270,510, £142,811 and £101,000 respectively. No discretion was exercised by the Committee in respect of share price appreciation.

The Committee was satisfied that no windfall gains have arisen in connection with the vesting of the performance share scheme awards granted in 2020 and 2022, taking into account the share price at the time of grant and progression in the share price over the period relative to NAVTR and typical market returns.

The 2024 figures shown in the long-term incentives and total rows on page 105 have been restated to replace estimated values for performance share scheme awards included in last year's report. The estimated values, which included dividend equivalents, were £452,892 for Mat Masters, £647,012 for Jamie Cayzer-Colvin and £593,873 for Will Wyatt. The restated figures, which reflect the values on the vesting dates, are as follows:

	Value of long-term incentive awards at vesting £	Value of dividend equivalents at vesting £	Total value at vesting £
M S D Masters	422,427[a]	54,132	476,559
J M B Cayzer-Colvin	602,901[b]	77,758	680,659
W P Wyatt	551,134[c]	72,995	624,129

a. 7,792 shares granted in 2019 vested on 30 May 2024. The mid closing price was 3505p per share. 4,218 shares granted in 2021 vested on 4 June 2024. The mid closing price was 3540p per share.
b. 11,520 shares granted in 2019 vested on 30 May 2024. The mid closing price was 3505p per share. 5,625 shares granted in 2021 vested on 4 June 2024. The mid closing price was 3540p per share.
c. 12,062 shares granted in 2019 vested on 30 May 2024. The mid closing price was 3505p per share. 3,626 shares granted in 2021 vested on 4 June 2024. The mid closing price was 3540p per share.

Chair and non-executive directors

Fees and other remuneration paid to the Chair and the non-executive directors during the year ended 31 March 2025 and the previous year were as follows:

	Fees		Taxable expenses[3]		Total[7]	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
D C Stewart	165	165	–	–	165	165
F A Buckley	51	49	–[4]	–	51	49
Hon C W Cayzer[1]	54	52	1[5]	–	55	52
G B Davison	58	56	–	–	58	56
M A Farlow	60	58	–	–	60	58
C L Fitzalan Howard	51	49	–	–	51	49
L R Fordham	59	57	–	–	59	57
W P Wyatt[2]	49	47	–[6]	3	50	50

1. The Hon C W Cayzer received an additional fee of £5,000 per annum in respect of his services as a trustee of the Caledonia Pension Scheme.
2. Will Wyatt became a non-executive director on 27 July 2022. This table reflects the fee received in respect of his non-executive role. The figures relating to long-term incentives reflecting certain awards retained from his employment are shown in the single total figure of remuneration table on page 105.
3. Taxable expenses include expense reimbursements relating to travel, accommodation and subsistence in connection with board and committee attendance during the year, which are deemed by HMRC to be taxable in the UK. Amounts are the value of the expense plus the grossed-up tax paid by the company. Non-taxable expense reimbursements have not been included in the table.
4. Farah Buckley incurred taxable expenses during 2025 at a total cost, including tax, of £154.
5. The Hon C W Cayzer incurred taxable expenses during 2025 at a total cost, including tax, of £905.
6. Will Wyatt incurred taxable expenses during 2025 at a total cost, including tax, of £498.
7. Due to rounding, amounts stated do not necessarily add up to the total column.

The Chair and the non-executive directors did not receive any short-term incentives, long-term incentives or pension related benefits.

Total pension entitlements (audited)

Defined contribution

Pension benefits paid to executive directors during the year, either as contributions to personal pension arrangements or as cash supplements, were as follows:

	Pension contribution		Cash supplement		Total	
	2025 £	2024 £	2025 £	2024 £	2025 £	2024 £
M S D Masters	6,758	7,383	58,846	55,793	65,604	63,176
R W Memmott	–	–	57,601	32,294	57,601	32,294
J M B Cayzer-Colvin	–	–	52,790	50,747	52,790	50,747

Defined benefit

On 26 April 2017, The Hon C W Cayzer reached his retirement age of 60 and now receives an annual pension under the Caledonia Pension Scheme, a final salary defined benefit scheme.

Directors’ remuneration report (continued)
Annual report on directors’ remuneration

Scheme interests awarded during the financial year (audited)

The table below sets out the awards made to each executive director during the year under the performance share scheme and deferred bonus plan.

Scheme	Type of award	Basis of award	Date of grant	Face value of award £’000	Share price at grant[1]	Shares comprised in award number[2]	Receivable if minimum performance achieved[3]	End of performance/ retention period[4]
M S D Masters								
Performance share scheme	Nil-cost option	150% of salary	28.05.24	737	3410p	21,620	10%	31.03.29
Deferred bonus plan	Compulsory award, nil-cost option	% of bonus in excess of 50% of salary	28.05.24	102	3410p	2,979	100%	31.03.27
Total scheme interests awarded				839		24,599		
R W Memmott								
Performance share scheme	Nil-cost option	150% of salary	28.05.24	656	3410p	19,223	10%	31.03.29
Total scheme interests awarded				656		19,223		
J M B Cayzer-Colvin								
Performance share scheme	Nil-cost option	150% of salary	28.05.24	601	3410p	17,617	10%	31.03.29
Deferred bonus plan	Compulsory award, nil-cost option	% of bonus in excess of 50% of salary	28.05.24	41	3410p	1,214	100%	31.03.27
Total scheme interests awarded				642		18,831		

1. Based on the mid-market closing price on the dealing day immediately preceding the grant date.
2. The number of shares comprised in the awards under the performance share scheme and the deferred bonus plan was determined by reference to the company’s share price at the time that the awards were made.
3. The performance targets for awards under the performance share scheme are set out under the statement of directors’ share scheme interests on page 106. Compulsory awards under the deferred bonus plan are subject to a continued service condition only.
4. One-third of the awards under the performance share scheme are subject to performance testing at 31 March 2027, followed by a two-year holding period, with the remaining two-thirds subject to performance testing at 31 March 2029.

External directorships

The executive directors do not receive any fees for external directorships.

Payments to past executive directors (audited)

W P Wyatt

Will Wyatt retired as Caledonia’s Chief Executive and ceased employment with the Caledonia group on 27 July 2022. He continues to serve on the board as a non-independent non-executive director.

Will exercised all of the vested 2019 performance share scheme award over 12,062 shares and all of the vested part of his 2021 performance share scheme award over 3,626 shares on 6 June 2024. As reported in last year's annual report, the awards were subject to performance testing as at 31 March 2024 and vested in May and June 2024 respectively. The total pre-tax value was £629,108, including dividend equivalents of £72,995.

Will’s pro rata entitlement to a performance share scheme award made in 2020 was subject to performance testing on 31 March 2025, of which 9,205 shares will vest on 4 August 2025. As he remains a director, the details are reported in the single total figure of remuneration table on page 105.

T J Livett

Tim Livett retired as Caledonia’s Chief Financial Officer and stepped down from the board on 1 September 2023. He ceased employment with the group on 31 October 2023.

Tim exercised all of the vested 2019 performance share scheme award over 11,813 shares and all of the vested part of his 2021 performance share scheme award over 5,416 shares on 25 June 2024. The awards were subject to performance testing as at 31 March 2024 and vested in May and June 2024 respectively. The total pre-tax value was £685,318, including dividend equivalents of £78,426.

Tim’s pro rata entitlement to a performance share scheme award made in 2020 was subject to performance testing on 31 March 2025, of which 10,435 shares will vest on 4 August 2025. One-third of his pro rata entitlement to a performance share scheme award made in 2022 was subject to performance testing on 31 March 2025, of which 1,389 shares will vest on 30 May 2025 and to which a two-year holding period will apply.

In line with Caledonia’s post-cessation shareholding requirements, Tim continues to hold the minimum guideline shareholding.

Payments for loss of office (audited)

There were no payments made for loss of office during the year.

Statement of directors' shareholdings and scheme interests (audited)

Executive directors' minimum shareholding guidelines

Executive directors' minimum shareholding guidelines are set out on page 104. Mat Masters and Jamie Cayzer-Colvin have attained the minimum guideline shareholding as at 31 March 2025. Rob Memmott, who joined the company on 1 September 2023, has begun to meet the guidelines. The values of the relevant shareholdings of each executive director as at 31 March 2025, calculated by reference to Caledonia's closing share price on that date of 3540p, and the percentage level by which the value of the minimum guideline shareholding has been achieved were as follows:

	Value of shareholding[1] £m	Attainment of guideline %
M S D Masters	2.8	281
R W Memmott	0.1	15
J M B Cayzer-Colvin	9.0	1,501

1. Shareholdings include those of connected persons; the value, net of any exercise costs, income tax and National Insurance contributions, of unexercised awards granted under the performance share scheme for which the performance targets have been met; and bonuses deferred compulsorily under the company's deferred bonus plan net of income tax and National Insurance contributions.

Directors' shareholdings

The interests of the directors who served during the year and their connected persons in the ordinary share capital of the company as at 31 March 2025 were as follows:

	Beneficial		Non-beneficial	
	2025 number	2024 number	2025 number	2024 number
D C Stewart	6,944	6,944	–	–
M S D Masters	67,145	58,376	–	–
R W Memmott	2,852	2,852	–	–
J M B Cayzer-Colvin[1]	244,235	249,435	203,754	198,554
F A Buckley	250	250	–	–
Hon C W Cayzer[1]	41,092	41,092	15,500	15,500
G B Davison	8,100	8,100	–	–
M A Farlow	2,000	2,000	–	–
C L Fitzalan Howard	2,000	2,000	–	–
L R Fordham	1,330	1,330	–	–
W P Wyatt[1]	1,239,467	1,224,644	97,705	96,705

1. Will Wyatt's beneficial interests included 1,066,991 shares (2024: 1,054,794 shares) held by The Dunchurch Lodge Stud Company and 10,135 shares (2024: 9,869) held by Knossington Holdings Company, both private family companies controlled by Mr Wyatt and certain of his connected persons, and 1,000 shares in which The Hon C W Cayzer had a non-beneficial interest (2024: 1,000 shares). His non-beneficial interests included 14,500 shares (2024: 14,500 shares) in which The Hon C W Cayzer also held a non-beneficial interest. The Hon C W Cayzer's beneficial interests included 5,200 shares (2024: 5,200 shares) in which Mr Wyatt and Mr Cayzer-Colvin had non-beneficial interests.

There have been no changes in the directors' interests shown above notified up to the date of this report.

Directors' remuneration report (continued)
Annual report on directors' remuneration

Directors' share scheme interests

The interests of directors as at 31 March 2025 in the share-based incentive schemes operated by the company are set out in the following table.

		Share price at date of award	Unvested with performance conditions[1]	Unvested without performance conditions[2]	Vested but un-exercised[3]	Total
M S D Masters	*Performance share scheme awards*					
	Granted 04.08.20 (nil-cost)	2640p	–	10,795	–	10,795
	Granted 04.06.21 (nil-cost)	3102.5p	9,331	–	–	9,331
	Granted 30.05.22 (nil-cost)	3740p	12,032	2,888	–	14,920
	Granted 30.05.23 (nil-cost)	3445p	20,573	–	–	20,573
	Granted 28.05.24 (nil-cost)	3410p	21,620	–	–	21,620
	Performance share scheme total		63,556	13,683	–	77,239
	Deferred bonus plan – compulsory awards[4]					
	Granted 30.05.22 (nil-cost)	3740p	–	–	3,870	3,870
	Granted 28.05.24 (nil-cost)	3410p	–	2,979	–	2,979
	Deferred bonus plan total		–	2,979	3,870	6,849
	Total share scheme interests		63,556	16,662	3,870	84,088

During the year, Mat Masters exercised performance share scheme and deferred bonus plan awards over a total of 16,603 shares at a pre-tax gain of £589,822 plus an additional sum of £71,220 in respect of dividend equivalents.

W P Wyatt	*Performance share scheme awards*					
	Granted 04.08.20 (nil-cost)	2640p	–	9,205	–	9,205
	Granted 04.06.21 (nil-cost)	3102.5p	4,351	–	–	4,351
	Performance share scheme total		4,351	9,205	–	13,556
	Total share scheme interests		4,351	9,205	–	13,556

During the year, Will Wyatt exercised performance share scheme awards over a total of 15,688 shares at a pre-tax gain of £556,112 plus an additional sum of £72,995 in respect of dividend equivalents.

R W Memmott	*Performance share scheme award*					
	Granted 24.11.23 (nil-cost)	3585p	17,573	–	–	17,753
	Granted 28.05.24 (nil-cost)	3410p	19,223	–	–	19,223
	Performance share scheme total		36,796	–	–	36,796
	Total share scheme interests		36,796	–	–	36,796
J M B Cayzer-Colvin	*Performance share scheme awards*					
	Granted 30.05.19 (nil-cost)	2910p	–	–	11,520	11,520
	Granted 04.08.20 (nil-cost)	2640p	–	13,018	6,510	19,528
	Granted 04.06.21 (nil-cost)	3102.5p	11,248	–	5,625	16,873
	Granted 30.05.22 (nil-cost)	3740p	9,799	941	–	10,740
	Granted 30.05.23 (nil-cost)	3445p	16,763	–	–	16,763
	Granted 28.05.24 (nil-cost)	3410p	17,617	–	–	17,617
	Performance share scheme total		55,427	13,959	23,655	93,041
	Deferred bonus plan – compulsory awards[4]					
	Granted 30.05.22 (nil-cost)	3740p	–	–	4,666	4,666
	Granted 28.05.24 (nil-cost)	3410p	–	1,214	–	1,214
	Deferred bonus plan total		–	1,214	4,666	5,880
	Total share scheme interests		55,427	15,173	28,321	98,921

During the year, Jamie Cayzer-Colvin exercised deferred bonus plan awards over a total of 4,431 shares at a pre-tax gain of £157,071 plus an additional sum of £16,485 in respect of dividend equivalents.

1. **Performance conditions**
   Performance share scheme
   Of the awards shown as unvested with performance conditions, for nil-cost options granted to Will Wyatt on 4 June 2021, to Mat Masters on 30 May 2022 and 30 May 2023, to Rob Memmott on 24 November 2023 and to Mat Masters and Rob Memmott on 28 May 2024 shares will vest on a graduated basis, with vesting commencing at 10% if the company achieves an annualised NAVTR of 3%, rising incrementally to 100% vesting on achievement of an annualised NAVTR of 10%.

   For Jamie Cayzer-Colvin, who is Head of the Funds pool, 60% of his performance share scheme awards granted on these dates will be measured against the annualised total returns achieved by the Funds pool. Awards will similarly vest on a graduated basis, with vesting commencing at 10% on achievement of an annualised Funds pool total return of 6%, rising incrementally to 100% vesting on achievement of an annualised total return of 13.5%. The remaining 40% of Jamie Cayzer-Colvin's performance share scheme awards for these grants will be measured against Caledonia's NAVTR as above.

   Mat Masters was previously Head of the Capital portfolio before taking on broader responsibility for the Income portfolio from 2019 until his appointment as Chief Executive Officer. For nil-cost options granted on 4 June 2021, 53.3% will be measured by reference to the annualised total return achieved by the Capital portfolio, with awards vesting on a graduated basis, commencing at 10% on achievement of an annualised total return of 4%, rising incrementally to 100% vesting on achievement of an annualised total return of 11%. 26.7% will be measured by reference to the annualised total return achieved by the Income portfolio over the performance measurement period, with graduated vesting commencing at 10% on achievement of an annualised total return of 3.5%, rising incrementally to 100% vesting on achievement of an annualised total return of 7%. The remaining 20% of the performance share scheme awards for these grants will be measured against Caledonia's NAVTR as above.

   The relevant performance conditions will be tested over three years for one-third of the shares comprised in an award and over five years for the remaining two-thirds of the shares comprised in an award.

   The nil-cost options granted on 4 August 2020, shown as unvested without performance conditions, were performance-tested against their relevant target as at 31 March 2025 and achieved a vesting level of 100% for those measured against Caledonia's NAVTR. The proportion of Mat Masters' nil-cost options awarded at that date measured against the Capital and Income portfolios both achieved a vesting level of 100%. Jamie Cayzer-Colvin's nil-cost options awarded at that date measured against the Funds pool's return achieved a 100% vesting level. The awards will vest on 4 August 2025.

   The one-third of the shares comprised in the nil-cost options granted on 30 May 2022, also shown as unvested without performance conditions, subject to three-year performance testing was tested as at 31 March 2025 and achieved a vesting level of 48% for those measured against Caledonia's NAVTR. Jamie Cayzer-Colvin's nil-cost options awarded at that date measured against the Funds pool's return achieved a 0% vesting level. The awards will vest on 30 May 2025.

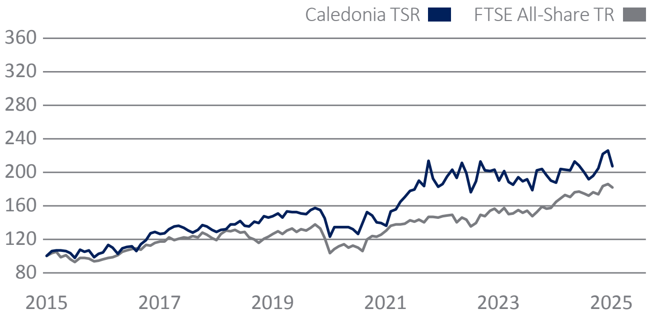
Other exercise conditions

2. **Performance share scheme**
   Nil-cost options that vest following the three- or five-year performance testing become immediately exercisable on the third or fifth anniversary of grant, as applicable.
3. **Vested but unexercised**
   Shares vested but unexercised represent those awards that are immediately exercisable without any conditions.
4. **Deferred bonus plan**
   Compulsory awards under the deferred bonus plan normally vest if the director remains an employee of the group for a three-year period commencing on the first day of the financial year in which the award is made.

Performance graph of total shareholder return and table of Chief Executive Officer's total remuneration

The graph below shows the company's total shareholder return ('TSR') against that of the FTSE All-Share Total Return index for the 10 financial years ended on 31 March 2025. TSR has been calculated assuming that all dividends are reinvested on their ex-dividend dates. The FTSE All-Share Total Return index has been chosen as it is the benchmark by which the company measures its delivery of value over the longer term.

TSR growth over 10 years



The table below shows the total remuneration received by the Chief Executive Officer in each of the 10 financial years to 31 March 2025, prepared on the same basis as in the single total figure in the table on page 105, and the percentage of the maximum potential short- and long-term incentives received in those years.

Years ended 31 March	Chief Executive Officer	Total remuneration £'000	Incentives vested as a percentage of maximum: Short-term %	Long-term %
2016	W P Wyatt	1,648	45.0	100.0
2017	W P Wyatt	1,799	100.0	85.0
2018	W P Wyatt	1,795	40.0	84.7
2019	W P Wyatt	1,864	90.7	94.7
2020	W P Wyatt	805	–	20.9
2021	W P Wyatt	1,896	85.0	87.9
2022	W P Wyatt	2,326	100.0	100.0
2023	W P Wyatt[1]	1,154	–	100.0
2023	M S D Masters[1]	1,250	45.0	100.0
2024	M S D Masters	1,376[2]	71.5	96.4
2025	M S D Masters	1,424	55.0	81.4

1. Mat Masters succeeded Will Wyatt as Chief Executive Officer on 27 July 2022.
2. Restated from last year's single total figure table to reflect the company's share price on the vesting date of the 2019 and 2021 performance share scheme awards.

Directors' remuneration report (continued)
Annual report on directors' remuneration

Percentage change in remuneration of the directors

The following table shows the percentage change in the basic salary/fees, value of taxable benefits and short-term incentives paid to directors in the year against the prior financial year, compared with the average percentage changes in those components of pay of Caledonia's other employees, excluding directors, on a per capita basis.

Standard salary increases awarded from 1 April 2024 were 4%. The per capita percentage increase in basic salary for employees shown in the table is higher than this due to the effect of non-standard increases awarded for promotions, increased responsibilities or other such adjustments. The average per capita percentage change for employee taxable benefits decreased over the year principally due to changes in benefit cover for certain employees under the company's private medical insurance plan and small variances in employee benefits. The average per capita percentage change for employee bonus decreased over the year due to lower bonus awards being made. Mat Masters, Rob Memmott and Jamie Cayzer-Colvin were awarded bonuses of 55%, 55% and 52.5% of salary respectively, compared with 71.5%, 71.5% and 60.75% in the previous financial year. Certain members of Caledonia's staff were awarded bonuses of varying levels in each year depending on company performance, investment pool performance (where relevant) and individual performance. Increases in non-executive fees include any changes to responsibilities made during the year.

	2025			2024			2023			2022			2021		
	Basic salary/ fees %	Benefits %	Bonus %	Basic salary/ fees %	Benefits %	Bonus %	Basic salary/ fees %	Benefits %	Bonus %	Basic salary/ fees %	Benefits %	Bonus %	Basic salary/ fees %	Benefits %	Bonus %
Executive directors															
M S D Masters[1]	4.0	(23.9)	(20.0)	5.0	45.6	66.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
W P Wyatt[2]	n/a	n/a	n/a	n/a	n/a	n/a	(67.5)	(70.7)	(100)	n/a	(4.1)	17.7	n/a	12.9	100
R W Memmott[3]	4.0	60.4	(20.0)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
J M B Cayzer-Colvin	4.0	(4.6)	(10.1)	5.1	5.1	33.0	5.0	15.6	(49.6)	1.5	8.9	12.8	2.5	6.2	100
Chair and non-executive directors															
D C Stewart	–	(100)	n/a	–	100	n/a	10.0	–	n/a	–	–	n/a	–	–	n/a
F A Buckley	3.6	(17.8)	n/a	4.8	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hon C W Cayzer	3.4	100	n/a	4.5	–	n/a	11.4	–	n/a	–	–	n/a	6.6	–	n/a
G B Davison	3.1	–	n/a	4.2	–	n/a	13.1	–	n/a	–	(100)	n/a	3.5	100	n/a
M A Farlow	3.0	–	n/a	6.0	–	n/a	n/a	–	n/a	–	–	n/a	n/a	n/a	n/a
C L Fitzalan Howard	3.6	–	n/a	4.8	–	n/a	13.3	–	n/a	–	–	n/a	43.8	n/a	n/a
L R Fordham	3.1	–	n/a	8.9	(100)	n/a	10.7	100	n/a	n/a	–	n/a	n/a	n/a	n/a
W P Wyatt[2]	3.7	(84.5)	n/a	5.0	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Staff per capita (excluding directors)															
	7.5	(1.4)	(2.0)	10.1	4.7	98.8	10.2	17.5	(43.2)	4.0	7.5	22.9	7.4	5.2	157.5

1. Mat Masters was appointed to the board on 1 April 2022, succeeding Will Wyatt as Chief Executive Officer on 27 July 2022.
2. Will Wyatt served as Chief Executive until 27 July 2022 and has served as a non-executive director since 27 July 2022.
3. Rob Memmott was appointed to the board on 1 September 2023.

Pay ratio information in relation to the total remuneration of the Chief Executive Officer

With fewer than 250 UK employees, Caledonia is not required to disclose Chief Executive Officer to employee pay ratios under The Companies (Miscellaneous Reporting) Regulations 2018. However, as recommended by The Investment Association, the Committee has decided voluntarily to publish the information below. The ratios compare the total remuneration of the Chief Executive Officer, as set out on page 105, against the lower quartile, median and upper quartile total remuneration of the company's employees as at 31 March 2025. This disclosure will build up over time to cover a rolling 10 year period.

A significant proportion of the Chief Executive Officer's total earnings potential is comprised of share-based incentives, which are linked to Caledonia's performance and share price movement over the longer term. This will inevitably lead to an element of volatility in the year-on-year total remuneration of the Chief Executive Officer and consequently variations in the ratios, as some employees do not participate in the long-term incentive scheme or participate at lower levels. As the majority of awards under the scheme vest over five years, participants will only build up equivalent annual vesting to the Chief Executive Officer over this period of time, which may further distort the comparison.

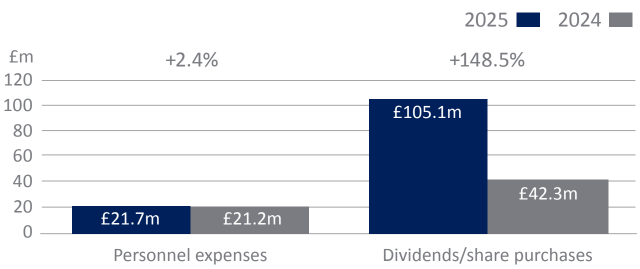
In order to provide further context, the table includes ratios based on basic salary only to demonstrate over time that the underlying pay structures do not show a divergent trend between the Chief Executive Officer's pay and that of employees generally and also that employees are paid fairly.

		Pay ratios				Remuneration values			
Year	Methodology	P25 (lower quartile)	P50 (median)	P75 (upper quartile)	Basis	Chief Executive Officer	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2020	*Option A*	14:1	9:1	4:1	Total remuneration (£'000)	814	57	94	217
	Salary only	12:1	7:1	4:1	Salary only (£'000)	540	46	73	144
2021	*Option A*	30:1	15:1	6:1	Total remuneration (£'000)	1,828	61	122	329
	Salary only	12:1	7:1	4:1	Salary only (£'000)	540	46	78	138
2022	*Option A*	42:1	19:1	6:1	Total remuneration (£'000)	2,294	54	122	392
	Salary only	12:1	7:1	4:1	Salary only (£'000)	540	45	76	138
2023	*Option A*	20:1	14:1	6:1	Total remuneration (£'000)	1,268	63	91	227
	Salary only	9:1	6:1	3:1	Salary only (£'000)	450	50	70	135
2024	*Option A*	20:1	13:1	5:1	Total remuneration (£'000)	1,351	68	106	268
	Salary only	9:1	6:1	3:1	Salary only (£'000)	473	51	77	143
2025	*Option A*	20:1	13:1	6:1	Total remuneration (£'000)	1,424	70	114	256
	Salary only	9:1	6:1	3:1	Salary only (£'000)	492	56	83	150

1. The employees at the lower, median and upper quartiles were determined as at 31 March in the relevant year.
2. 'Option A' methodology, as set out in The Companies (Miscellaneous Reporting) Regulations 2018, which requires determination of the total full-time equivalent earnings of all UK employees for the relevant financial year, has been used as this is considered the most statistically accurate under the reporting regulations.
3. To determine full-time equivalent earnings, joiners during the year are assumed to have worked for the full year with salary, benefits and bonus pro rata accordingly. Reduced hours employees similarly have been assumed to have worked on a full-time basis. No adjustments have been made to the value of share-based incentives that vested during the year for relevant employees, other than that awards held by reduced hours employees have been recalculated to reflect the number of shares that would have been granted based on the full-time equivalent salary of the participant at the time of grant.

Relative importance of spend on pay

The graph below shows the personnel expenses for the year of group companies consolidated under IFRS 10, compared with amounts distributed to Caledonia's shareholders by way of dividends and share purchases.



Statement of implementation of remuneration policy in the 2026 financial year

The company expects to operate the remuneration policy as described in the approved remuneration policy set out on pages 99 to 104 without any changes in the financial year ending 31 March 2026.

Basic salaries of executive directors

For the 2026 financial year, the Committee has awarded an increase in basic salary of 3.5% to Rob Memmott and Jamie Cayzer-Colvin, broadly in line with inflation, which was the same standard increase given to the rest of the company's employees. The Committee has awarded an increase in basic salary of 6.8% to Mat Masters for reasons described on page 97.

The executive directors' salaries for the 2025 financial year are as follows:

	Salary for year to 31 March	
	2026 £	2025 £
M S D Masters	525,000	491,500
R W Memmott	452,300	437,000
J M B Cayzer-Colvin	414,600	400,500

Directors' remuneration report (continued)
Annual report on directors' remuneration

Chair's and non-executive directors' fees

The Chair's fee will be unchanged for the year ahead. The non-executive director basic fee has been increased by 3.1%. No changes have been made to the fees paid for chairing and membership of the Audit and Risk and Remuneration Committees or to the fee paid to the Senior Independent Director.

The fees are as follows:

	Fees for year to 31 March 2026 £	2025 £
Chair	165,000	165,000
Non-executive director basic fee	50,500	49,000
Chair of the Audit and Risk Committee	10,000	10,000
Member of the Audit and Risk Committee	2,500	2,500
Chair of the Remuneration Committee	8,000	8,000
Member of the Remuneration Committee	2,000	2,000
Senior Independent Director/Chair of the Governance Committee	6,000	6,000

No additional fees are paid for membership of the Governance and Nomination Committees. It is proposed that the aggregate annual limit for non-executive directors' ordinary remuneration contained in the company's articles of association, currently £600,000, will be increased at the forthcoming annual general meeting.

Annual bonus scheme and long-term incentive schemes

RPI was previously used as a reference point for inflation in the overall bonus calculation. Whilst RPI is still published by the Office for National Statistics, it is recognised that the CPIH is now the leading and preferred indicator of inflation in the UK. Since 2023, Caledonia has used CPIH in place of RPI as the measure for UK inflation. However, given the differential between the two inflation rates, the Committee has commenced a phased transition from RPI to CPIH as the inflation benchmark for bonus purposes over the course of the three-year remuneration policy period. The inflation benchmark was weighted 67:33 on RPI:CPIH for the 2024 financial year and 50:50 for the 2025 financial year, moving to 33:67 for 2026 and 100% on CPIH for 2027.

No other changes to the performance metrics or award opportunities for the company's annual bonus or long-term incentive schemes are anticipated for the 2026 financial year.

Approach

The Committee will keep the implementation of the remuneration policy under review in order to take account of any changes in the company's business environment and remuneration practice generally, but with the overall aim of ensuring that Caledonia's remuneration arrangements continue to support the company's strategy and deliver long-term shareholder value by attracting and retaining talent and rewarding executives appropriately in the light of the company's performance.

Consideration by the directors of matters relating to directors' remuneration

The current members of the Committee are Anne Farlow (Chair), Farah Buckley, Claire Fitzalan Howard and David Stewart.

During the year, the Committee received advice from Freshfields LLP (formerly Freshfields Bruckhaus Deringer LLP), the company's principal legal advisers, which covered matters including the preparation of the directors' remuneration report and share plans. Ellason LLP, appointed by the Committee following a formal tender process completed in 2022, provides remuneration advice. The Committee is satisfied that advice received was objective and independent. Ellason has no connection with individual directors and is a member of the Remuneration Consultants Group (the professional body for remuneration consultants) and adheres to its code of conduct. The fees for Ellason for work relating to the Committee for 2025 were £26,175 (2024: £22,070). Fees incurred are charged on the basis of each firm's standard terms of business. Ellason did not provide any other services to the company. The Committee assesses the performance of its advisers, the associated level of fees and reviews the quality of advice provided to ensure that it is objective and independent of any support provided to management.

The Committee also consulted with the Chief Executive Officer in relation to the remuneration of the executive directors and other senior executives and internal support was provided to the Committee by the Company Secretary. No executive participates in discussions in respect of their own remuneration. Given the composition of the Committee and this requirement, we are comfortable that no conflicts arose in respect of decision-making by the Committee.

Statement of voting at general meetings

At the annual general meeting of the company held on 17 July 2024, the votes lodged for the resolutions relating to directors' remuneration and the remuneration policy were as follows:

	Number	%
To approve the 2024 Directors' remuneration report (other than the directors' remuneration policy)		
Votes in favour	34,772,485	98.5
Votes against	536,700	1.5
Total votes cast	35,309,185	
Votes withheld	18,589	

The votes lodged for the most recently approved remuneration policy, being at the annual general meeting held on 19 July 2023 were as follows:

	Number	%
To approve the remuneration policy		
Votes in favour	35,087,565	98.8
Votes against	412,670	1.2
Total votes cast	35,609,903	
Votes withheld	109,668	

This report was approved by the board on 19 May 2025 and signed on its behalf by:

Anne Farlow
Chair of the Remuneration Committee
19 May 2025

Directors' report

The Directors' report for the year ended 31 March 2025 has been prepared in accordance with the disclosure requirements of the following:

- Companies Act 2006
- The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended)
- Financial Conduct Authority's Listing Rules ('LRs') and Disclosure Guidance and Transparency Rules ('DTRs').

The Directors' report, together with the Strategic report on pages 14 to 68, represents the management report for the purpose of compliance with DTR 4.1.5R(2).

Information included elsewhere

The following information required to be included in the Directors' report has been included elsewhere and is incorporated by reference:

Disclosure	Section of annual report	Page(s)
Information on exposure to liquidity risk[1]	Strategic report	67
Likely future developments in the business[1]	Strategic report	66-67
Engagement with suppliers, customers and others[1]	Corporate governance report, Section 172 statement	80-85
Greenhouse gas emissions, energy consumption and energy efficiency action[1]	Strategic report	53-55
Disclosure of information to auditors	Responsibility statements	119
Financial risk management objectives and policies	Note 23	147-152

1. In accordance with section 414C (11) of the Companies Act 2006.

Dividends

Dividend policy

The company's policy is to pay an increasing annual dividend per share in real terms, which it has now done for 58 consecutive years. In addition, the company may supplement the annual dividend with special dividends when the board considers it appropriate, for example if the company has surplus cash reserves in excess of its strategic investment plans.

The board historically aimed for the annual dividend to be fully covered by net revenue for the relevant financial year in a period of normal trading but modified this approach in 2023 to reduce the strategic level of net revenue cover from fully covered to around 0.5x and also to factor in net cash inflow from the maturing funds portfolio. The expectation is that this will provide an aggregate cash flow cover for the dividend of at least 1x over the medium term. The company has available distributable reserves of £2,592m, broadly equivalent to 66 years' payment of the current annual dividend to maintain an increasing annual dividend per share in real terms.

The board intends to increase future interim dividends to 50% of the prior year's total annual dividend, ensuring a more balanced dividend profile and providing a more predictable income stream to our shareholders.

2025 dividend distributions

An interim dividend of 19.69p per share (2024: 18.93p) was paid on 9 January 2025 and the board has recommended a final dividend of 53.91p per share (2024: 51.47p), giving total annual dividends for the year of 73.6p per share (2024: 70.4p).

Shares

Share capital structure

The company has two classes of share capital, ordinary shares of 5p each and deferred ordinary shares of 5p each.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All voting rights are, however, suspended in respect of any of the company's shares that are held in treasury or by group companies.

The deferred ordinary shares carry no voting rights and are not redeemable. They carry the right to a fixed cumulative preference dividend of 1% per annum of the nominal value of a deferred ordinary share, being 0.05p per share, or £4,000 in aggregate, for all such shares currently in issue. The company is required to pay the dividend to the extent that it has distributable profits. On a winding-up or other return of capital, the deferred ordinary shares carry the right to the payment of the amount paid up on the shares only after holders of the ordinary shares have received the sum of £100,000 in respect of each ordinary share. All of the deferred ordinary shares are held by Sterling Industries Ltd, a wholly-owned subsidiary of Caledonia.

At 31 March 2025, 52,882,698 ordinary shares and 8,000,000 deferred ordinary shares were in issue. The ordinary shares therefore represented approximately 87% and the deferred ordinary shares approximately 13% of the total issued share capital by nominal value. Of the ordinary shares in issue at 31 March 2025, 3,000 shares were held by a group company. As stated above, all voting rights are suspended on these shares.

During the year the company purchased 1.7m of its ordinary shares at a total cost of £62.7m. These shares had a nominal value of £86,453, represented 3.27% of the issued ordinary share capital as at 31 March 2025 and were immediately cancelled. These shares were purchased to take advantage of the wide discount of the company's share price to its net asset value. Since the year end a further 247,372 ordinary shares have been purchased and cancelled at a total cost of £9.0m. The company's issued share capital after these transactions, as at 19 May 2025, being the last practicable date prior to signature of these accounts was 52,635,326 ordinary shares and 8,000,000 deferred ordinary shares.

Proposed share sub-division

The board is recommending a 10:1 share sub-division to shareholders for approval at the 2025 annual general meeting. This will reduce the nominal value of ordinary shares of 5p each to 0.5p and is planned for implementation on or after 17 July 2025.

Directors' report (continued)

Restrictions on the transfer of shares

There are no specific restrictions on the transfer of the company's shares, although the articles of association contain provisions whereby the board may refuse to register a transfer of a certificated share which is not fully paid, provided that such refusal does not prevent dealings in the share from taking place on an open and proper basis. The board may also refuse to register the transfer of a certificated share unless it is (a) lodged, duly stamped (if stampable), at the registered office or at such other place as the board may appoint, accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; (b) in respect of only one class of shares; and (c) in favour of not more than four transferees.

The directors may refuse to register a transfer of shares if a shareholder has not supplied information to the company in default of a request duly served under section 793 of the Companies Act 2006 and such shares represent at least 0.25% of the class of shares concerned.

Substantial interests

As at 31 March 2025, the company had received formal notifications of the following holdings in its ordinary shares in accordance with the requirements of the DTRs:

	Number of voting rights	Percentage of voting rights
The Cayzer Trust Company Ltd	19,341,264	36.01%[1]

1. Percentage holding based on total voting rights at 28 October 2024.

Employee Share Trust

The Caledonia Investments plc Employee Share Trust (the 'EST') and The Caledonia 2024 Employee Benefit Trust (the '2024 EBT') acquire and hold ordinary shares in the company for subsequent transfer to employees exercising options under the company's performance share scheme or deferred bonus plan. The voting rights of shares held by the EST and the 2024 EBT are exercisable by the independent trustee however, in practice, these are not voted. Each trust is financed by an interest free loan facility from Caledonia and the trustee has waived all dividends payable in respect of the ordinary shares held by the trusts.

At 31 March 2025, the EST held 133,025 ordinary shares, representing 0.25% of the total issued voting share capital. The 2024 EBT did not hold any ordinary shares.

Restrictions on voting rights

The directors may direct that a shareholder shall not be entitled to attend and vote either personally or by proxy or exercise any other right conferred by membership in relation to general meetings of the company in respect of some or all of the shares held by them if they or any person with an interest in such shares has been duly served with a notice under section 793 of the Companies Act 2006 and is in default for the prescribed period in supplying to the company the information required or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular.

Agreements which may restrict the transfer of shares or exercise of voting rights

The company is not aware of any arrangements which may restrict the transfer of any of its shares or the exercise of any voting rights.

Authority to allot shares

At the annual general meeting of the company held on 17 July 2024 (the '2024 AGM'), shareholders granted to the directors authority to allot ordinary shares up to a nominal amount of £906,000, representing approximately one-third of the ordinary share capital then in issue, with authority to allot additional ordinary shares up to a nominal value of £906,000, representing approximately a further one-third of the ordinary share capital then in issue, by way of pre-emptive rights issues only, in accordance with guidance issued at that time by the Investment Association. The directors were further authorised to issue ordinary shares up to a nominal amount of £135,933 other than pro rata to existing ordinary shareholders. These authorities last until 17 October 2025 or, if earlier, the conclusion of the next annual general meeting.

Authority to purchase shares

At the 2024 AGM, shareholders also granted authority for the company to make market purchases of up to 5,437,344 of its own ordinary shares, being approximately 10% of the ordinary share capital then in issue, at a price not more than the higher of (a) 5% above the average of the middle market quotations for ordinary shares during the five business days preceding any such purchase; and (b) the higher of (i) the price of the last independent trade in ordinary shares; and (ii) the highest current independent bid relating thereto on the trading venue where the purchase is carried out, nor less than 5p, being the nominal value of an ordinary share. At the same time, shareholders who were not members of the Cayzer family concert party ('Cayzer Concert Party') gave their approval for a waiver by The Panel on Takeovers and Mergers (the 'Panel') of the obligation that could arise on the Cayzer Concert Party under Rule 9 of the City Code on Takeovers and Mergers to make a general offer for Caledonia on the implementation by the company of the above authority to purchase its own shares ('Rule 9 Waiver'). The approval was subject to the maximum percentage of voting rights in which the Cayzer Concert Party is interested not exceeding 49.9% as a result of purchases by the company.

At a general meeting of the company held on 18 December 2024 (the '2024 GM'), shareholders approved a new authority (replacing the market purchase authority referred to above) for the company to make market purchases of up to 2,681,322 of its own ordinary shares, being approximately 5% of the ordinary share capital then in issue, subject to the same price restrictions set out above. This authority lasts until 26 May 2026 or, if earlier, the conclusion of the annual general meeting to be held in 2026. At the same time, shareholders who were not members of the Cayzer Concert Party gave their approval for a further Rule 9 Waiver. The approval was not subject to a maximum percentage of voting rights in which the Cayzer Concert Party is interested as a result of purchases by the company.

The company has subsequently utilised the authority to purchase the company's shares granted at the 2024 GM and will continue to utilise the authority (or, if approved, the replacement authority to be sought at the 2025 annual general meeting) when it considers it is in the company's and shareholders' best interests to do so and will result in an increase in net asset value per ordinary share. In considering whether to exercise the authority, the board will continue to take into account the liquidity of the company's shares, its ongoing investment strategy and the level of any discount at which the ordinary shares are trading in the market relative to the net asset value per ordinary share.

Change of control rights

There are no special change of control rights in relation to the company's shares.

Awards granted under the company's performance share scheme and its deferred bonus plan may become exercisable or vest as a result of a change of control, although the number of shares comprised in those awards may be reduced. The service contracts of certain directors and other senior executives also contain provisions whereby a liquidated sum is payable by the company in the event of termination within one year following a change of control.

Further details of these change of control rights applicable to directors are set out in the Directors' remuneration report.

The company is party to a revolving credit agreement that gives the lenders the right to require early repayment of outstanding loans and cancellation of its available commitments upon a change of control of the company occurring. At the date of this report, change of control provisions were included in the revolving facility agreement dated 5 August 2024 between the company and each of Industrial and Commercial Bank of China Limited London Branch, BNP Paribas S.A., London Branch, The Royal Bank of Scotland International Limited, London branch and NatWest Markets Plc. The company is not aware of any other agreements with change of control provisions that are significant in terms of their potential impact to the business.

Directors

The directors of the company are shown on pages 72 and 73. All of the directors served throughout the year.

Directors' indemnity

Each of the directors has the benefit, under the company's articles of association, of an indemnity, to the extent permitted by the Companies Act 2006, against any liability incurred by them for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

Appointment and removal of directors

The appointment and removal of directors is governed by the company's articles of association and prevailing company law.

The articles of association provide that at every annual general meeting one-third of the directors, or if not a multiple of three, the number nearest to one-third, shall retire by rotation and therefore be required to seek re-election by shareholders. New directors may be appointed by the board, but are subject to election by shareholders at the next annual general meeting of the company following their appointment. However, to comply with the provisions of the UK Corporate Governance Code (the 'Code'), the company requires that all directors should be subject to annual election by shareholders. Shareholders may also appoint new directors by ordinary resolution. The articles of association limit the number of directors to not less than three and not more than 12, unless the shareholders resolve otherwise.

In accordance with the Financial Conduct Authority's Listing Rules, the election of those directors determined by the board to be independent under the Code must be subject to the approval of both all shareholders of the company and separately those shareholders who are not controlling shareholders, being the Cayzer Concert Party.

Articles of association

An ordinary resolution to increase the aggregate annual limit for non-executive directors' ordinary remuneration contained in the articles of association, currently £600,000, to £750,000 will be proposed at this year's annual general meeting.

Political donations

The company made no political donations and incurred no political expenditure during the year.

Research and development

The company does not engage in research and development.

Overseas branches

The company does not have any overseas branches.

Investment trust status

Caledonia has been accepted as an approved investment trust by HM Revenue & Customs, subject to continuing to meet eligibility conditions. The directors are of the opinion that the company has conducted its affairs in a manner which will satisfy the conditions for continued approval as an investment trust under section 1158 of the Corporation Tax Act 2010.

Registered office and number

The registered office of the company is at: Cayzer House, 30 Buckingham Gate, London SW1E 6NN. The company is registered in England under number 235481.

Post balance sheet events

There are no post balance sheet events.

The Directors' report was approved by the board on 19 May 2025 and signed on its behalf by:

Richard Webster
Company Secretary

Directors' report (continued)

Cross references to information required to be disclosed by Listing Rule 6.6.1R

To comply with Listing Rule 6.6.4R, the following table provides references to where relevant information required to be disclosed under Listing Rule 6.6.1R can be found.

Listing Rule	Required information	Location
6.6.1R(11)	Details of any arrangement under which a shareholder has waived or agreed to waive any dividends.	Directors' report – page 116. Waiver of all dividends by the trustee of The Caledonia Investments plc Employee Share Trust and The Caledonia 2024 Employee Benefit Trust.
6.6.1R(12)	Where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review.	As above.
6.6.1R(13)(a)	A statement made by the board that the company continues to comply with the requirement in LR 6.2.3R	Corporate governance report – page 78. Relations with controlling shareholders.

Responsibility statements

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

The directors are responsible for preparing the annual report and financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the group and parent company 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 of the group and the company and of the profit or loss of the group 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 they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006 (the 'Companies Act').

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 the group and enable them to ensure that the financial statements comply with the Companies Act. 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.

The directors are responsible for ensuring that the annual report financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the group's performance, business model and strategy.

Website publication

The directors are responsible for ensuring the annual report and financial statements are made available on a website.

Financial statements are published on the company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

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

1. so far as the director is aware, there is no relevant information of which the company's auditor is unaware
2. the director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act.

Responsibility statements under the Disclosure Guidance and Transparency Rules and the UK Corporate Governance Code

Each of the directors, whose names and functions are listed on pages 72 and 73 confirm that, to the best of their knowledge:

1. the group and parent company financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole
2. the annual report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that it faces.

Signed on behalf of the board by:

Mat Masters
Chief Executive Officer
19 May 2025

Rob Memmott
Chief Financial Officer
19 May 2025

Our independence and reputation enables us to take the long term view, which is key to our goal of building a store of wealth and delivering steady and rising income for our shareholders.

Considered & long-term

Only a Pavement Away
The Caledonia Investments Charitable Foundation is pleased to have supported Only a Pavement Away during the year, a charity that supports people looking to rebuild their lives through employment opportunities in hospitality.

Levi Bradbury joined Only a Pavement Away's Passport to Employment programme after leaving prison. Through hard work and dedication, he secured a role as a Commis Chef at a Hilton Hotel in London. He later launched a street food business with support from an Only a Pavement Away bursary, which helped lay the foundation for his venture. Today, Levi balances fatherhood, full-time cheffing, and building his own business.

Financial statements

Other information

Independent auditor's report
to the members of Caledonia Investments plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Caledonia Investments plc (the 'Parent Company') and its consolidated subsidiaries (the 'Group') for the year ended 31 March 2025 which comprise the Group statement of comprehensive income, the Group and Company Statement of financial position, the Group and Company Statement of changes in equity, the Group and Company 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 and as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the Audit & Risk Committee, we were appointed by the Members of the Parent Company on 21 July 2021 to audit the financial statements for the year ended 31 March 2022 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is four years, covering the years ended 31 March 2022 to 31 March 2025. We remain independent of the Group and the Parent 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

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. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining the Directors' assessment of the going concern status and long-term viability of the group and the parent;
- checking the accuracy of the underlying models used in the Directors' assessment;
- challenging management's assumptions and judgements made with regards to stress-testing forecasts;
- assessing the availability of bank facilities; and
- assessing the liquidity of the quoted investment portfolio.

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 Group and the Parent 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.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview

Coverage	100% (2024: 100%) of Group profit before tax 100% (2024: 100%) of Group revenue 100% (2024: 100%) of Group total assets		
Key audit matters (KAMs)		2025	2024
	KAM 1 -Valuation of Unquoted Private Capital Investments	•	•
	KAM 2- Valuation of Fund investments	•	•
Materiality	*Group financial statements as a whole* £43.9m (2024: £44.5m) based on 1.5% (2024: 1.5%) of Net Assets		

An overview of the scope of our audit

Our Group audit was scoped as per revised ISA (UK) 600 revised where we define a component as an entity, business unit, function or business activity, or some combination thereof, determined for purposes of planning and performing audit procedures in a group audit. Based on our understanding of the group's organisational structure, operating segments and information system, we have identified components based on legal entity. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group engagement team carried out a full scope audit of all components of the group mentioned below as they required audits for statutory purposes. The Group consisted of the following components:

- Caledonia Investments plc;
- Caledonia Group Services Limited;
- Buckingham Gate Limited.

The Group audit team performed the Group audit as if it related to a single aggregated set of financial statements, using the Group materiality levels set out above.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

1. Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report; and
2. Review of the minutes of Board and Audit Committee meetings and performance of a risk assessment as to how the impact of the Group's commitment as set out in the other information may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations have been reflected, where appropriate, in management's going concern assessment and viability assessment.

We also assessed the consistency of management's disclosures included as 'other information'/'Statutory Other Information' within the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report (continued)

Overview

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of Unquoted Private Capital Investments *The Group's accounting policy for valuation is described in the Material Accounting Policies (Investments) note to the financial statements.* The unquoted private capital investments total £870.7m (2024: £820.3m), representing 31.9% (2024: 30.4%) of the investments held at fair value through profit or loss.	We consider the valuations of the private capital investments to be one of the most significant audit areas. An objective of the Group is to maximise long-term capital growth, and as such, private capital investments will be a key driver of performance. The main risk factor relating to the valuations of the private capital investments relates to the lack of observable inputs to those valuations, which classifies them as 'Level 3' investments as well as the level of estimation uncertainty involved in valuing these investments.	To address this key audit matter, we performed the following in respect of process and controls: • Assessed the appropriateness of the valuation methodology given the circumstances under the International Private Equity and Venture Capital Valuation ('IPEV') Guidelines; • Attended Valuation Committee meetings to obtain evidence of good governance and to observe the review of investment valuations by committee. We challenged on the unobservable inputs and methodology used in the valuation for each investment where required; • Discussed valuations with management to understand management assumptions included in valuations and assess the reasonableness of the assumptions applied; Our audit procedures included the following: • We gained comfort on existence and ownership through direct confirmations, available third party documentation such as share purchase agreements, share certificates, annual accounts and companies house documentation, where relevant; • Challenged and corroborated the key inputs to the valuation with reference to management information on investee companies, market data and our own research; • Gained an understanding of the movements in valuations between 31 March 2024 and 31 March 2025; • Considered the economic environment in which the investment operates to identify factors that could impact the investment valuation; • Consulted and involved BDO valuation experts in assessing the methodology, assumptions and key inputs used in the valuation of material investments at year-end; and • Where we considered that reasonable alternative assumptions have been applied, we developed our own point estimate which we assessed in the context of materiality. **Key observations:** Based on the procedures we performed, we did not identify any material exceptions with regards to the valuation of unquoted private capital investments. We deem the assumptions and judgements applied by management in the valuation of unquoted private capital investments to be appropriate.
Valuation of Fund Investments *The Group's accounting policy for valuation is described in the Material Accounting Policies (Investments) note to the financial statements.* The fund investments total £897.3 million (2024: £926.3 million), representing 32.8% (2024: 34.4%) of the investments held at fair value through profit or loss.	There is a risk of 'stale pricing and manual adjustments' as valuations are obtained from NAV statements provided by the GPs. Caledonia's investment team reviews these valuations and considers any necessary adjustments, though such adjustments are rare, and the GP's valuation is usually accepted. The parties involved in the valuations are the GPs and the investment team. Risks include inappropriate valuation by the GP or investment team, incorrect adjustments, applying unsuitable valuation methods, inaccurate calculations, and using inappropriate inputs.	To address this key audit matter, we performed the following in respect of process and controls: • Attended the Valuation Committee meeting to obtain evidence of good governance and to observe the review of fund investment valuations; • Reviewed the design and implementation of the Caledonia's internal processes and controls, in particular those processes and controls for considering the movements in fair value of the underlying portfolio; • Assessed the effectiveness of processes in place regarding due diligence over new investments and GPs/new managers by agreeing support of the process to a sample of new investment additions involving a new underlying fund manager; and • Enquired with the audited entity as to whether underlying fund managers have prepared and provided SOC reports. Management has confirmed that no reports are available. For all funds, we obtained the latest NAV statements and performed the following: • Agreed the valuations to the direct confirmations received from the GP; • We assessed if any of the funds have a coterminous reporting date to the reporting entity and noted none for the current year; • Considered and reviewed the need for the Investment Manager to adjust the underlying valuations for specific cases, such as carried interest, and agreed these adjustments to the underlying calculations and support considering where hurdles are met or not based on performance; • Compared the year-end valuations per the accounting records to the valuation statements received from the managers of the underlying funds. Where an up-to-date fund manager's valuation is not available, we agreed the cash roll forward to direct confirmation from the GP; • Performed GP accuracy testing by comparing the most recently audited NAVs to NAVs per GP statements for the coterminous period; • Challenged management on key judgements affecting valuations such as basis for valuation and adjustments; • Reviewed the year end GP statements for any possible inconsistent information pertaining to the valuations; • For non-coterminous GP statements, assessed whether any significant market movements or events occurred from the GP statement date that rendered the GP statement an inappropriate basis of the valuation; and • Considered the appropriateness of the overall valuation policies undertaken by underlying GP fund managers in line with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. For funds that were identified as having a higher risk of stale pricing, we: • Reviewed the underlying investment portfolio composition and investment strategy to assess volatility; • Performed open-source research relating to underlying investments for indications of factors that would indicate a significant valuation movement. **Key observations:** Based on the procedures we performed, we did not identify any material exceptions with regards to the valuation of fund investments. We deem the assumptions and judgements applied by management in the valuation of unquoted private capital investments to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
Key audit matter	2025 £m	2024 £m	2025 £m	2024 £m
Materiality	43.9	44.5	41.8	42.3
Basis for determining materiality	1.5% of Net Assets		95% of Group materiality	
Rationale for the benchmark applied	Net Asset Value is a key indicator of performance and as such the most relevant benchmark on which to base materiality for the users of the financial statements.		We considered the aggregation risk within the Group and then set materiality as a percentage of Group materiality.	
Performance materiality	32.9	33.6	31.3	31.7
Basis for determining performance materiality	75% of Materiality			
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors, including our assessment of the Group and parent's control environment and the expected total value of known and likely misstatements and the level of transactions in the year.			

Reporting threshold

We agreed with the Audit & Risk Committee that we would report to them all individual audit differences in excess of £1.1 million (2024: £1.1 million). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor’s report thereon. 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.

Independent auditor's report (continued)

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 68; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 68.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 91; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 91; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 91; and • The section describing the work of the audit committee set out on page 91.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	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. In the light of the knowledge and understanding of the Group and Parent 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.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' remuneration report to be audited 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulation

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Consideration of the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud.

We considered the significant laws and regulations to be compliance with the Companies Act 2006, UK-adopted IFRS, UK tax legislation including Investment trust tax legislation, the Financial Conduct Authority's regulations and Listing and Disclosure Guidance and Transparency Rules, the UK Corporate Governance Code, and industry practice as represented by the AIC Statement of Recommended Practice ('SORP').

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our procedures included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review and challenge of management's consideration of the Parent Company's compliance with the Investment Trust rules set out under UK tax legislation.

Independent auditor's report (continued)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and valuation of private capital and fund investments.

Our procedures in respect of the above included:

- Testing the data elements of the journals population which the audit team utilised as part of completeness and accuracy testing;
- Determining key risk characteristics to filter the population of journals, then reviewing and agreeing the journals identified to supporting documentation;
- Using our IT audit specialists to assist with extracting the journal population;
- Evaluating findings from the evaluation of the design and implementation of IT general controls;
- Critically reviewing the consolidation and, in particular, manual and/or late journals posted at consolidation level;
- Reviewing the estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any system biases. This included considering whether the split between revenue and capital is appropriate and key accounting estimates around the valuation of private capital and fund investments;
- Reviewing unadjusted audit differences for indications of bias or deliberate misstatement; and
- Other key procedures related to valuation of private capital and fund investments are set out in the Key Audit Matters section above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith
Senior Statutory Auditor

For and on behalf of BDO LLP, Statutory Auditor

London, UK
19 May 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).


CAYZER
HOUSE

Group statement of comprehensive income
for the year ended 31 March 2025

		2025			2024		
	Note	Revenue £m	Capital £m	Total £m	Revenue £m	Capital £m	Total £m
Net investment income							
Investment income	1	52.7	–	52.7	61.8	–	61.8
Other income	1	0.9	0.4	1.3	0.9	0.6	1.5
Net gains on fair value investments	8	–	43.9	43.9	–	174.4	174.4
Net losses on fair value property	9,10	–	(1.3)	(1.3)	–	(3.9)	(3.9)
Total net investment income		53.6	43.0	96.6	62.7	171.1	233.8
Management expenses	2	(25.9)	(6.1)	(32.0)	(22.9)	(8.4)	(31.3)
Other non-recurring expenses		(2.9)	–	(2.9)	–	–	–
Profit before finance costs		24.8	36.9	61.7	39.8	162.7	202.5
Treasury interest receivable	3	9.9	–	9.9	3.2	–	3.2
Finance costs	4	(3.5)	–	(3.5)	(10.6)	–	(10.6)
Foreign exchange movements		(1.3)	–	(1.3)	6.3	–	6.3
Profit before tax		29.9	36.9	66.8	38.7	162.7	201.4
Taxation	5	1.0	(1.7)	(0.7)	1.8	0.6	2.4
Profit for the year		30.9	35.2	66.1	40.5	163.3	203.8
Other comprehensive income items never to be reclassified to profit or loss							
Re-measurements of defined benefit pension schemes	25	–	0.3	0.3	–	(0.8)	(0.8)
Tax on other comprehensive income	5	–	0.5	0.5	–	0.4	0.4
Total comprehensive income		30.9	36.0	66.9	40.5	162.9	203.4
Basic earnings per share	7	57.5p	65.5p	123.0p	74.5p	300.2p	374.7p
Diluted earnings per share	7	56.7p	64.6p	121.3p	73.3p	295.7p	369.0p

The total column of the above statement represents the group's statement of comprehensive income, prepared in accordance with IFRSs adopted in the United Kingdom.

The revenue and capital columns are supplementary to the group's statement of comprehensive income and are prepared under guidance published by the Association of Investment Companies.

The profit for the year and total comprehensive income for the year is attributable to equity holders of the parent.

The accounting policies and notes on pages 134 to 157 are an integral part of these financial statements.

Statement of financial position
at 31 March 2025

	Note	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Non-current assets					
Investments held at fair value through profit or loss	8	2,743.6	2,695.4	2,748.9	2,700.7
Investments in subsidiaries held at cost	8	–	–	0.9	0.9
Investment property	9	12.6	13.3	–	–
Property, plant and equipment	10	25.3	25.2	–	–
Deferred tax assets	11	5.3	5.3	–	–
Other receivables	12	–	–	30.5	35.5
Employee benefits	25	5.4	4.3	–	–
Non-current assets		2,792.2	2,743.5	2,780.3	2,737.1
Current assets					
Asset held for sale	8	–	19.0	–	19.0
Trade and other receivables	12	10.3	7.3	6.4	5.0
Current tax assets	5	4.2	1.7	4.5	2.0
Cash and cash equivalents	13	151.3	227.4	148.5	227.3
Current assets		165.8	255.4	159.4	253.3
Total assets		2,958.0	2,998.9	2,939.7	2,990.4
Current liabilities					
Trade and other payables	15	(16.4)	(24.4)	(22.1)	(38.2)
Employee benefits	25	(3.7)	(3.1)	–	–
Current liabilities		(20.1)	(27.5)	(22.1)	(38.2)
Non-current liabilities					
Employee benefits	25	(4.8)	(5.0)	–	–
Deferred tax liabilities	11	(1.5)	(1.1)	–	–
Non-current liabilities		(6.3)	(6.1)	–	–
Total liabilities		(26.4)	(33.6)	(22.1)	(38.2)
Net assets		2,931.6	2,965.3	2,917.6	2,952.2
Equity					
Share capital	16	3.0	3.1	3.0	3.1
Share premium	16	1.3	1.3	1.3	1.3
Capital redemption reserve		1.5	1.4	1.5	1.4
Capital reserve		2,689.9	2,716.6	2,691.6	2,717.1
Retained earnings		240.4	250.2	224.7	236.6
Own shares		(4.5)	(7.3)	(4.5)	(7.3)
Total equity		2,931.6	2,965.3	2,917.6	2,952.2
Undiluted net asset value	17	5558p	5452p		
Diluted net asset value	17	5475p	5369p		

The Company profit for the year ended 31 March 2025 was £66.0m (2024: £202.4m)

The financial statements on pages 130 to 157 were approved by the board and authorised for issue on 19 May 2025 and were signed on its behalf by:

Mat Masters
Chief Executive Officer

Rob Memmott
Chief Financial Officer

The accounting policies and notes on pages 134 to 157 are an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 March 2025

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Capital reserve £m	Retained earnings £m	Own shares £m	Total equity £m
Group								
Balance at 31 March 2023		3.1	1.3	1.4	2,555.4	247.4	(10.6)	2,798.0
Total comprehensive income								
Profit for the year		–	–	–	163.3	40.5	–	203.8
Other comprehensive income		–	–	–	(0.4)	–	–	(0.4)
Total comprehensive income		–	–	–	162.9	40.5	–	203.4
Transactions with owners of the company								
Contributions by and distributions to owners								
Share-based payments		–	–	–	–	6.2	–	6.2
Transfer of shares to employees		–	–	–	–	(6.9)	6.9	–
Own shares purchased and cancelled		–	–	–	(1.7)	–	–	(1.7)
Own shares purchased		–	–	–	–	–	(3.6)	(3.6)
Dividends paid	6	–	–	–	–	(37.0)	–	(37.0)
Total transactions with owners		–	–	–	(1.7)	(37.7)	3.3	(36.1)
Balance at 31 March 2024		3.1	1.3	1.4	2,716.6	250.2	(7.3)	2,965.3
Total comprehensive income								
Profit for the year		–	–	–	35.2	30.9	–	66.1
Other comprehensive income		–	–	–	0.8	–	–	0.8
Total comprehensive income		–	–	–	36.0	30.9	–	66.9
Transactions with owners of the company								
Contributions by and distributions to owners								
Share-based payments		–	–	–	–	4.5	–	4.5
Transfer of shares to employees		–	–	–	–	(6.8)	6.8	–
Own shares purchased and cancelled		(0.1)	–	0.1	(62.7)	–	–	(62.7)
Own shares purchased		–	–	–	–	–	(4.0)	(4.0)
Dividends paid	6	–	–	–	–	(38.4)	–	(38.4)
Total transactions with owners		(0.1)	–	0.1	(62.7)	(40.7)	2.8	(100.6)
Balance at 31 March 2025		3.0	1.3	1.5	2,689.9	240.4	(4.5)	2,931.6
Company								
Balance at 31 March 2023		3.1	1.3	1.4	2,554.3	236.4	(10.6)	2,785.9
Profit and total comprehensive income		–	–	–	164.5	37.9	–	202.4
Transactions with owners of the company								
Contributions by and distributions to owners								
Share-based payments		–	–	–	–	6.2	–	6.2
Transfer of shares to employees		–	–	–	–	(6.9)	6.9	–
Own shares purchased and cancelled		–	–	–	(1.7)	–	–	(1.7)
Own shares purchased		–	–	–	–	–	(3.6)	(3.6)
Dividends paid	6	–	–	–	–	(37.0)	–	(37.0)
Total transactions with owners		–	–	–	(1.7)	(37.7)	3.3	(36.1)
Balance at 31 March 2024		3.1	1.3	1.4	2,717.1	236.6	(7.3)	2,952.2
Profit and total comprehensive income		–	–	–	37.2	28.8	–	66.0
Transactions with owners of the company								
Contributions by and distributions to owners								
Share-based payments		–	–	–	–	4.5	–	4.5
Transfer of shares to employees		–	–	–	–	(6.8)	6.8	–
Own shares purchased and cancelled		(0.1)	–	0.1	(62.7)	–	–	(62.7)
Own shares purchased		–	–	–	–	–	(4.0)	(4.0)
Dividends paid	6	–	–	–	–	(38.4)	–	(38.4)
Total transactions with owners		(0.1)	–	0.1	(62.7)	(40.7)	2.8	(100.6)
Balance at 31 March 2025		3.0	1.3	1.5	2,691.6	224.7	(4.5)	2,917.6

The accounting policies and notes on pages 134 to 157 are an integral part of these financial statements.

Statement of cash flows
for the year ended 31 March 2025

	Notes	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Operating activities					
Dividends and fund income distributions received		38.5	57.9	38.5	57.9
Interest received		9.9	3.8	9.9	3.8
Cash received from customers		1.3	1.5	0.5	0.6
Cash paid to suppliers and employees		(29.7)	(23.5)	(38.8)	(23.7)
Taxes received		0.2	0.1	0.2	0.1
Group tax relief received		0.5	20.9	0.9	21.1
Group tax relief paid		(2.8)	(0.8)	(2.8)	–
Net cash flow from operating activities		17.9	59.9	8.4	59.8
Investing activities					
Purchases of investments		(318.9)	(340.8)	(318.9)	(340.8)
Proceeds from realisation of investments		337.4	599.7	337.4	599.7
Proceeds from repayment of loans to group companies		–	–	5.0	–
Purchases of property, plant and equipment		(1.8)	(0.5)	–	–
Net cash flow from investing activities		16.7	258.4	23.5	258.9
Financing activities					
Interest paid		(3.7)	(10.4)	(3.7)	(10.4)
Dividends paid to owners of the company		(38.4)	(37.0)	(38.4)	(37.0)
Proceeds from bank borrowings		–	70.0	–	70.0
Repayment of bank borrowings		–	(70.0)	–	(70.0)
Repayment of borrowings from non-consolidated subsidiaries		–	(258.8)	–	(258.8)
Purchases of own shares		(67.7)	(5.3)	(67.7)	(5.3)
Net cash flow used in financing activities		(109.8)	(311.5)	(109.8)	(311.5)
Net (decrease)/increase in cash and cash equivalents		(75.2)	6.8	(77.9)	7.2
Cash and cash equivalents at year start		227.4	221.6	227.3	221.1
Effect of foreign exchange rate changes on cash		(0.9)	(1.0)	(0.9)	(1.0)
Cash and cash equivalents at year end	13	151.3	227.4	148.5	227.3

Reconciliation of net cash flow to movement in net debt
for the year ended 31 March 2025

	Notes	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Net (decrease)/increase in cash and cash equivalents in the year		(75.2)	6.8	(77.9)	7.2
Cash inflow from increase in borrowings		–	(70.0)	–	(70.0)
Cash outflow from decrease in borrowings		–	328.8	–	328.8
Change resulting from cash flows		(75.2)	265.6	(77.9)	266.0
Change resulting from foreign exchange movements		(0.9)	6.2	(0.9)	6.2
Net cash/(debt) at the start of the year	13,14	227.4	(44.4)	227.3	(44.9)
Net cash at the end of the year	13,14	151.3	227.4	148.5	227.3

The accounting policies and notes on pages 134 to 157 are an integral part of these financial statements.

Material accounting policies

General information

Caledonia Investments plc is an investment trust company domiciled in the United Kingdom and incorporated in England in 1928, under number 235481. The address of its registered office is Cayzer House, 30 Buckingham Gate, London SW1E 6NN. The ordinary shares of the company are listed on the London Stock Exchange under Equity shares (commercial companies).

These financial statements were authorised for issue by the directors on 19 May 2025.

These financial statements are presented in pounds sterling, as this is the currency of the primary economic environment in which Caledonia operates.

Material accounting policies

Critical accounting judgements and estimates

Critical judgements

In the course of preparing the financial statements, one judgement has been made in the process of applying the group's accounting policies, other than those involving estimations, that has had a significant effect on the amounts recognised in the financial statements as follows:

1. Assessment as an investment entity

The board has concluded that the company continues to meet the definition of an investment entity, as its strategic objective of investing in a portfolio of investments for the purpose of generating returns in the form of income and capital appreciation remains unchanged and as a consequence investments in controlled entities are held at fair value through profit or loss rather than consolidated in the group results. For further details on assessment as an investment entity please refer to page 135. The company is exempt from UK corporation tax on capital gains provided it meets the HM Revenue & Customs criteria for an investment company set out in Section 1158 of the Corporation Tax Act 2010. This is judgemental based on assessments performed by management prepared to maintain investment trust status in accordance with relevant taxation legislation.

Critical estimates

In addition to this significant judgement the directors have made one estimate, which they deem to have a significant risk of resulting in a material adjustment to the amounts recognised in the financial statements within the next financial year. The details of the estimate was as follows:

1. Fair values of private equity financial instruments

For direct private investments (Private Capital investments), totalling £870.7m (2024: £820.3m) valuation techniques using a range of internally and externally developed unobservable inputs are used to estimate fair value. Valuation techniques make maximum use of market inputs, including reference to the current fair values of instruments that are substantially the same (subject to appropriate adjustments). Private Capital assets have been disaggregated into categories and sensitised according to the degree of uncertainty attached to their estimation in note 23.

For private equity funds and fund of funds (unlisted Funds Pool investments excluding funds invested exclusively in quoted markets), totalling £882.9m (2024: £868.8m) held through externally managed fund vehicles, the estimated fair value is based on the most recent valuation provided by the external manager, usually received within 3 to 6 months of the relevant valuation date. Management periodically assesses whether reported net asset values are fair value based through consideration of a range of information, including but not limited to underlying valuation methodologies, governance and assurance frameworks, and correspondence with third-party managers. Management were satisfied that the valuations provided in the current period were on a fair value basis.

Where required, valuations are adjusted for investments and distributions between the valuation date and the reporting date. The delay in manager NAV receipts creates a risk of changes or events occurring between the NAV and reporting dates which could impact valuations. We review market and other relevant conditions at the year end and consider whether a valuation adjustment is required, making such an adjustment where deemed necessary.

Fair value estimates for the above private assets are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision.

Other judgement

Management has exercised judgment in determining the classification of money market investments held by the group as cash equivalents under IAS 7. In arriving at this judgement management has noted that it uses money market funds to manage day-to-day working capital requirements, and that all such funds are highly liquid Low Volatility Net Asset Value products with a minimum credit rating of AAAm, and a maximum weighted-average maturity of 60 days. They have therefore judged that the risk of changes in value is insignificant and investments can be readily converted to a known amount of cash upon redemption, and therefore classification as cash equivalents is appropriate. They note that, although remote, there is not a zero risk of significant change in value and that therefore this classification is judgemental.

Going concern

As at 31 March 2025, the board has undertaken an assessment of the appropriateness of preparing its financial statements on a going concern basis, taking into consideration future cash flows, current cash holdings of £151m, undrawn banking facilities of £325m and readily realisable assets of £965m as part of a wider process in connection with its viability assessment. It has concluded that the group has sufficient cash, other liquid resources and committed bank facilities to meet existing and new investment commitments.

The directors have concluded that the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to consider it appropriate to adopt the going concern basis in preparing the financial statements.

The group has conducted a going concern assessment which considered future cash flows, the availability of liquid assets and debt facilities, banking covenant requirements and consideration of the economic environment over at least 12 months from the date of approval of these financial statements.

In making this assessment, the directors took comfort from the results of two stress tests, which considered the impact of significant market downturn conditions.

The first stress test addressed two discrete scenarios: a 5% reduction in the value of Sterling versus the US dollar compared to the rate on 31 March 2025 and a 12-month delay to Private Capital realisations.

The second stress test modelled a market downturn event over a two-year period reflecting a fall in Public Companies investment income of 20%, reduction of Private Capital investment income by 100%, an inability to realise the Private Capital portfolio and a 50% reduction in distributions from the group's funds portfolio. To simulate an extreme downside scenario the impact of a market downturn event and all fund commitments falling due was also assessed. The directors do not believe the extreme downside scenario is likely but factors this into the going concern assessment.

Under these scenarios the group would have a range of mitigating actions available to it, including sales of liquid assets, and usage of banking facilities, which would provide sufficient funds to meet all of its liabilities as they fall due and still hold significant liquid assets over the assessment period. As a result of this assessment 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. For further details on assessment of going concern and viability please refer to page 68.

Basis of accounting

These group and parent company financial statements were prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. IFRSs comprise accounting standards issued by the International Accounting Standards Board and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee and its predecessor body.

The financial statements have been prepared on an historical cost basis, except for the revaluation of certain financial instruments and properties. Where presentational guidance set out in the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ('SORP') issued by the Association of Investment Companies in October 2019 is consistent with the requirements of UK adopted international accounting standards, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Statement of comprehensive income of the company has been omitted from these financial statements in accordance with section 408 of the Companies Act 2006.

Under the UK Corporate Governance Code and applicable regulations, the directors are required to satisfy themselves that it is reasonable to presume that the company is a going concern. After reviewing the company's performance projections for a period of at least 12 months, the directors are satisfied that in taking account of reasonably possible downsides the company has adequate access to resources to enable it to meet its obligations as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the directors have adopted the going concern basis in preparing these financial statements.

Adopted IFRSs and IFRSs not yet applied

In the current year, the group has not adopted any new standards or interpretations. Amendments to IFRSs adopted in the year have not had a material impact on the group.

At the date of approval of these financial statements, IFRS 18 Primary Financial Statements was in issue but not yet effective, and includes requirements setting out a new presentation requirement for the statement of profit or loss, and providing new definitions and disclosures related to non-IFRS performance measures. IFRS 18 is not expected to have a material impact on the group financial statements.

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to account for most investments in controlled entities as held at fair value through profit or loss. Subsidiaries that provide investment related services or engage in permitted investment related activities with investees continue to be consolidated unless they are also investment entities.

Having considered the following, the board has concluded that the company meets the definition of an investment entity.

An investment entity is one which:

- obtains funds from investors for the purpose of providing them with investment management services
- invests funds solely for returns from capital appreciation and/or investment income
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

Basis of consolidation

In accordance with the IFRS 10/IAS 28 *Investment entities amendments*, the consolidated financial statements include the financial statements of the company and service entities controlled by the company made up to the reporting date. Control is achieved where the company has the power over the potential investee as a result of voting or other rights, has rights to positive or negative variable returns from its involvement with the investee and has the ability to use its power over the investee to affect significantly the amount of its returns.

The following subsidiaries are deemed service entities and are consolidated in the group financial statements:

- Caledonia Group Services Ltd
- Buckingham Gate Ltd

Other associated entities and subsidiaries are disclosed in notes 26 and 27 to the financial statements and are not consolidated in the group financial statements, being held at fair value through profit or loss.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to the functional currency using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair values were determined.

In the financial statements, foreign exchange gains or losses are recognised in capital or revenue reserve depending on whether the gain or loss is of a capital or revenue nature respectively.

Material accounting policies (continued)

Income

Dividends receivable on equity shares are recognised as revenue when the shareholders' right to receive payment has been established, normally the ex-dividend date. Where no ex-dividend date is available, dividends receivable on or before the period end, are treated as revenue. Overseas dividend income is shown net of withholding tax under investment income.

The fixed returns on debt securities, loans and non-equity shares are recognised on an effective interest rate basis, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income is recognised on a straight-line basis over the lease term.

The company's share of net income from limited partnerships is recognised as revenue when received.

Where uncertainty arises over the collectability of an amount already included in income, the uncollectable amount or the amount in respect of which the recovery has ceased to be probable, is recognised as an expense. When the uncertainty over collectability is removed, normally on receipt, the income is recognised in the Statement of comprehensive income on the same line as the original expense was initially recognised.

Expenses

All expenses are accounted for on an accrual basis. In the financial statements, ongoing management expenses are included in the revenue column of the Statement of comprehensive income, whereas performance fees and share-based payment expenses – costs relating to compensation schemes that are linked directly to investment performance – are included in the capital column of the Statement of comprehensive income. Expenses of acquisition of an investment designated as held at fair value through profit or loss or expenses of an aborted acquisition or disposal of an investment are presented as transaction costs, or deducted from the proceeds of sale as appropriate, and included in the capital column of the Statement of comprehensive income.

Non-recurring other expenses

Non-recurring expenses are expenses that are unlikely to re-occur in the foreseeable future.

Leases

Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The group does not have any finance leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis.

Benefits provided as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Lessee

On commencement of a contract which gives the group the right to use assets for a period of time in exchange for consideration, the group recognises a right-of-use asset and a lease liability, unless the lease qualifies as a 'short-term' lease (that is, the term is twelve months or less with no option to purchase the lease asset) or a 'low-value' lease. Payments associated with short-term leases are recognised on a straight-line basis as an expense in the income statement.

Employee benefits

Pension schemes

Payments to defined contribution schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each reporting date. Re-measurement gains and losses are recognised in full in the period in which they occur in other comprehensive income.

Past service cost is recognised immediately in the period of a plan amendment.

The retirement benefit obligation recognised in the Statement of financial position represents the present value of the defined benefit obligations as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Profit sharing and bonus plans

The group recognises a liability and an expense for bonuses and profit sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based payments

The group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant and the fair value is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of shares that will eventually vest.

As part of the share-based payment arrangements, the group pays a cash amount to employees on exercise of options, equating to the dividend entitlement on the option shares between grant and vesting dates. This payment is treated as a cash-settled share-based payment and is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of shares that will eventually vest and a re-estimate of the fair value of the dividend entitlement.

Where employees of a subsidiary are granted rights to the equity instruments of its parent as consideration for the services provided to the subsidiary, the subsidiary recognises an equity-settled share-based payment transaction expense with a corresponding intercompany balance with the parent. In addition, the parent recognises an increase in equity and an increase in intercompany balance for the amount of the share-based payment transaction.

An employee share trust is used for distributing shares awarded to employees under Caledonia's share remuneration schemes. The trustee purchases shares with money lent interest free by Caledonia and transfers shares to participating employees on exercise.

The transactions the employee share trust undertakes are considered to be performed by the trust as an agent for Caledonia. The transactions of the employee share trust are included in the separate financial statements of the parent company and, following the requirements of IFRS 10, in the consolidated financial statements as if they arose in that company. Own shares held by the employee share trust as at the reporting date are accounted for as treasury shares.

National Insurance on share-based payment awards

National Insurance payable on the exercise of share awards has been charged as an expense spread over the respective vesting periods of the awards. The charge is based on the difference between the market value of the estimated number of shares that will vest and on the vested but unexercised awards at the reporting date, less any consideration due, calculated at the latest enacted National Insurance rate.

Taxation

The tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that were applicable at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Investment trust companies that have approval as such under section 1159 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to the extent that it is probable that sufficient future taxable profits will be available to allow all or part of the assets to be recovered.

Dividend distribution

Dividends are recognised in the period in which they are appropriately authorised and no longer at the discretion of the entity. For interim dividends, this will normally mean the date on which they are paid and, for final dividends, the date on which they are approved in general meeting.

Investments

Investments are recognised and derecognised on the date when their purchase or sale is subject to a relevant contract and the associated risks and rewards have been transferred. Where a purchase or sale is made under a contract whose terms require delivery within the timeframe established by the market concerned, transactions are recognised on the trade date.

Investments held as part of the group's business of investing in financial assets are designated as held at fair value through profit or loss in both the consolidated financial statements and the company financial statements.

Investments designated as held at fair value through profit or loss are measured at subsequent reporting dates at fair value. Gains or losses arising from changes in the value of investments designated as held at fair value through profit or loss, including foreign exchange movements, are included in net profit or loss for the period as a capital return.

Listed investments are valued at bid price or the last traded price when a bid price is not available. Unlisted investments are valued using recognised valuation methodologies, based on the International Private Equity and Venture Capital Valuation Guidelines, which reflect the amount for which an asset could be exchanged between knowledgeable, willing parties on an arm's length basis. The portfolio valuation methodology is detailed on pages 161 to 162.

Distributions from investment limited partnerships are treated as disposal proceeds or income in accordance with the nature of the distribution. Any surplus capital distributions after repaying partner's capital are treated as realised gains.

Service subsidiaries are either designated as held at fair value through profit or loss or held at amortised cost in the company financial statements.

When management is committed to a plan to sell an investment, the asset is available for immediate sale and the sale is deemed highly probable at the balance sheet date., the asset is classified as held for sale and held within current assets.

Capital reserve

The company maintains a capital reserve. The following items are transferred into the capital reserve from profit or loss:

- gains and losses on investments held at fair value through profit or loss
- fees and share-based payment expenses linked to investment performance
- expenses and finance costs incurred directly in relation to capital transactions
- actuarial gains and losses on defined benefit pension schemes
- taxation on items recognised in the capital reserve.

Material accounting policies (continued)

Investment property
Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value.

The valuations are prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income is recognised on a straight-line basis over the lease term.

Property, plant and equipment
Property is measured at fair value. Gains arising from changes in the fair value are included in other comprehensive income for the period in which they arise and losses included in profit or loss. To the extent gains represent the reversal of cumulative losses previously recognised they are included in profit or loss.

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment loss.

Assets in course of construction are measured at cost less any accumulated impairment loss.

Depreciation is calculated to write off the fair value or cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Land and assets in course of construction are not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	25 and 50 years
Fixtures and fittings	5-10 years
Office equipment	3-5 years

Accumulated depreciation on revalued property is eliminated against the gross carrying amount of the asset.

The gain or loss on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of comprehensive income.

Impairment of assets
At each reporting date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Receivables
Receivables do not carry any interest and are stated at their nominal value as reduced by expected credit losses ('ECL') arising from an annual ECL assessment of recoverable amounts. The company has applied the three stage model to intercompany receivables and determined they are not impaired on a stage one basis because credit risk has not increased significantly since initial recognition.

Cash and cash equivalents
Cash and cash equivalents comprises cash in hand, demand deposits and money market funds. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Borrowings
Interest-bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the Statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The effective interest method allocates the interest expense over the life of the instrument so as to reflect a constant return on the carrying amount of the liability.

Payables
Payables, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the balance sheet date. Financial liabilities are recognised at amortised cost in accordance with IFRS 9.

Provisions
A provision is recognised in the Statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

In the financial statements, provisions recognised for investments are included in the Statement of comprehensive income as a capital return.

Share capital
Equity instruments issued by the company are recorded as the proceeds received, net of direct issue costs.

Where The Caledonia Investments plc Employee Share Trust purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's owners until the shares are transferred. Where such shares are subsequently transferred, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's owners.

Operating segments
Operating segments are based on the financial information reported to the chief operating decision maker, being the Executive Committee.

Notes to the financial statements

1. Net investment income

Investment income

	2025 £m	2024 £m
Income statement revenue column		
Income from pool investments		
Dividends from UK listed companies	10.5	11.5
Dividends from overseas listed companies	11.4	10.3
Dividends from unlisted companies	14.4	19.2
Distributions from limited partnerships	4.4	3.6
Interest on unlisted debt investments	3.0	2.5
	43.7	47.1
Income from other investments		
Dividends from unlisted companies[1]	9.0	14.7
	52.7	61.8

1. During the year £9.0m of dividend income was received from Caledonia CCIL Distribution Ltd and in the prior year £14.7m was received from Caledonia US Investments Ltd.

Other income

	2025 £m	2024 £m
Income statement revenue column		
Property income	0.9	0.9

Income statement capital column		
US limited partnerships tax refunds	0.4	0.6

2. Expenses

Management expenses

	2025 £m	2024 £m
Income statement revenue column		
Personnel expenses	15.4	12.9
Depreciation	1.2	1.1
Auditor's remuneration	0.5	0.4
Other administrative expenses	11.2	9.6
Directors' fees and disbursements recharged	(0.8)	(0.9)
Management fees and recharges	(1.6)	(0.2)
	25.9	22.9
Income statement capital column		
Personnel expenses	6.3	8.3
Transaction costs	0.3	0.1
Management fees	(0.5)	–
	6.1	8.4
	32.0	31.3

Further information

Auditor's remuneration

Fees payable to BDO LLP in respect of services to Caledonia Investments plc were as follows:

	2025 £m	2024 £m
Audit services		
Statutory audit – group	0.4	0.3
Non-audit services		
Other assurance services	0.1	0.1
	0.5	0.4

Fees payable to BDO LLP in respect of services to Caledonia Investments plc's non-consolidated subsidiaries were as follows:

	2025 £m	2024 £m
Audit services		
Statutory audit – UK subsidiaries	0.1	0.7
Non-audit services		
Other assurance services	–	0.1
	0.1	0.8

Personnel expenses

	2025 £m	2024 £m
Income statement revenue column		
Wages and salaries	12.9	11.1
Compulsory social security contributions	1.9	1.7
Contributions to defined contribution plans	1.3	1.1
Defined benefit pension plans expense (note 25)	(0.7)	(1.0)
	15.4	12.9
Income statement capital column		
Share-based payments (note 24)	5.1	7.1
National Insurance on share awards	1.2	1.2
	6.3	8.3
	21.7	21.2

The average number of employees, including executive directors, throughout the year was as follows:

	2025 No	2024 No
Investment and administration	76	71

The company did not have any employees in either the current or the prior year.

Total directors' remuneration expensed for the year was £4.6m (2024: £5.3m), as follows:

	Group 2025 £m	Group 2024 £m
Short-term employee benefits	2.8	2.8
Gains on exercise of share awards	1.8	2.5
	4.6	5.3

Notes to the financial statements (continued)

3. Treasury interest receivable

	2025 £m	2024 £m
Interest on bank deposits and liquidity funds	9.9	3.2

4. Finance costs

	2025 £m	2024 £m
Interest on bank loans and overdrafts	3.5	3.4
Interest on loans from group companies	–	7.2
	3.5	10.6

5. Taxation

Recognised in profit for the year

	2025 £m	2024 £m
Current tax (expense)/income		
Current year	2.8	3.4
Adjustments for prior years	(3.0)	(1.5)
	(0.2)	1.9
Deferred tax (expense)/income		
Origination and reversal of temporary differences	(0.4)	0.5
Adjustments for prior years	(0.1)	–
	(0.5)	0.5
Total tax (expense)/income	(0.7)	2.4

Adjustments for prior years represented settlement of prior year tax loss relief surrendered to group companies, finalised in the year.

Reconciliation of effective tax expense

	2025 £m	2024 £m
Profit before tax	66.8	201.4
Tax expense at the domestic rate of 25%	(16.7)	(50.4)
Non-deductible expenses	2.6	2.1
Unrecognised tax assets	(5.4)	(4.7)
Non-taxable gains on investments[1]	11.0	42.8
Non-taxable dividend income	11.3	14.0
Other temporary differences	(0.4)	0.1
Adjustments for prior years	(3.1)	(1.5)
Tax (expense)/income	(0.7)	2.4

1. The Company is exempt from UK corporation tax on capital gains as it meets the HM Revenue & Customs criteria for an investment company set out in Section 1158 of the Corporation Tax Act 2010.

Recognised in other comprehensive income

	2025 £m	2024 £m
Current tax income		
Current year	0.4	0.6
Deferred tax income/(expense)		
On re-measurements of defined benefit pension schemes	–	0.2
On share options and awards	0.1	(0.4)
	0.1	(0.2)
Total tax income	0.5	0.4

Current tax assets

Current tax assets of £4.2m in the group and £4.5m in the company represented tax loss relief surrender for settlement (2024: £1.7m in the group and £2.0m in the company).

6. Dividends

Amounts recognised as distributions to owners of the company in the year were as follows:

	2025		2024	
	p/share	£m	p/share	£m
Final dividend for the year ended 31 March 2024 (2023)	51.47	27.9	49.20	26.7
Interim dividend for the year ended 31 March 2025 (2024)	19.69	10.5	18.93	10.3
	71.16	38.4	68.13	37.0

Amounts proposed after the year end and not recognised in the financial statements were as follows:

Proposed final dividend for the year ended 31 March 2025	53.91	28.5		

The proposed final dividend for the year ended 31 March 2025 was not included as a liability in these financial statements. The dividend, if approved by shareholders at the annual general meeting to be held on 16 July 2025, will be payable on 7 August 2025 to holders of shares on the register on 27 June 2025. The ex-dividend date will be 26 June 2025. The deadline for elections under the dividend reinvestment plan offered by MUFG Corporate Markets will be the close of business on 17 July 2025.

For the purposes of section 1158 of the Corporation Tax Act 2010 and associated regulations, the dividends payable for the year ended 31 March 2025 are the interim and final dividends for that year, amounting to £39.0m (2024: £38.3m).

7. Earnings per share

Basic and diluted earnings per share

The calculation of basic earnings per share of the group was based on the profit attributable to shareholders and the weighted average number of shares outstanding during the year. The calculation of diluted earnings per share included an adjustment for the effects of dilutive potential shares.

The profit attributable to shareholders (basic and diluted) was as follows:

	2025 £m	2024 £m
Revenue	30.9	40.5
Capital	35.2	163.3
Total	66.1	203.8

The weighted average number of shares was as follows:

	2025 000's	2024 000's
Issued shares at the year start	54,612	54,664
Effect of shares cancelled	(740)	(1)
Effect of shares held by the employee share trust	(151)	(270)
Basic weighted average number of shares in the year	53,721	54,393
Effect of performance shares, share options and deferred bonus awards	793	844
Diluted weighted average number of shares in the year	54,514	55,237

8. Investments

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Investments held at fair value through profit or loss				
Investments listed on a recognised stock exchange	964.7	949.8	964.7	949.8
Unlisted investments	1,778.9	1,745.6	1,784.2	1,750.9
	2,743.6	2,695.4	2,748.9	2,700.7
Investments held at cost				
Service subsidiaries	–	–	0.9	0.9
Held for sale				
Unlisted investments	–	19.0	–	19.0
	2,743.6	2,714.4	2,749.8	2,720.6

The movements in non-current investments were as follows:

	Listed equity £m	Unlisted equity[1] £m	Unlisted debt £m	Total £m
Group				
Balance at 31 March 2023	836.9	1,932.4	25.6	2,794.9
Transfer to Held for sale	–	(19.0)	–	(19.0)
Purchases at cost	76.5	265.0	1.9	343.4
Realisation proceeds	(43.5)	(556.2)	–	(599.7)
Gains/losses on investments	79.9	94.5	–	174.4
Accrued income	–	1.4	–	1.4
Balance at 31 March 2024	949.8	1,718.1	27.5	2,695.4
Transfer of debt for equity	–	21.2	(21.2)	–
Purchases at cost	106.8	202.0	11.5	320.3
Realisation proceeds	(114.2)	(202.5)	(1.5)	(318.2)
Gains/losses on investments	22.3	21.6	–	43.9
Accrued income	–	2.2	–	2.2
Balance at 31 March 2025	964.7	1,762.6	16.3	2,743.6
Company				
Balance at 31 March 2023	836.9	1,941.6	25.6	2,804.1
Transfer to Held for sale	–	(19.0)	–	(19.0)
Purchases at cost	76.5	265.0	1.9	343.4
Realisation proceeds	(43.5)	(556.2)	–	(599.7)
Gains/losses on investments	79.9	91.5	–	171.4
Accrued income	–	1.4	–	1.4
Balance at 31 March 2024	949.8	1,724.3	27.5	2,701.6
Transfer of debt for equity	–	21.2	(21.2)	–
Purchases at cost	106.8	202.0	11.5	320.3
Realisation proceeds	(114.2)	(202.5)	(1.5)	(318.2)
Gains/losses on investments	22.3	21.6	–	43.9
Accrued income	–	2.2	–	2.2
Balance at 31 March 2025	964.7	1,768.8	16.3	2,749.8

1. Unlisted investments included limited partnership and open ended fund investments, including a loan facility to a wholly owned investment subsidiary investing in US PE funds. It also included £10.9m of non-pool investments (2024: £18.0m non-pool investments). For further details fair value measurement of investments please refer to note 23 on page 147.

9. Investment property

	Freehold property £m
Cost	
Balance at 31 March 2023, 2024 and 2025	19.8
Revaluation	
Balance at 31 March 2023	(4.7)
Revaluation in the year	(1.8)
Balance at 31 March 2024	(6.5)
Revaluation in the year	(0.7)
Balance at 31 March 2025	(7.2)
Carrying amounts	
At 31 March 2023	15.1
At 31 March 2024	13.3
At 31 March 2025	12.6

At 31 March 2025, the group held one property classified as investment property, comprising that part of its head office building occupied by a third party tenant.

The fair value of the investment property was determined by Tuckerman, an external, independent property valuer, holding recognised and relevant professional qualifications and with recent experience in the location and category of the property being valued. The valuation conforms to the Royal Institution of Chartered Surveyors ('RICS') Valuation Professional Standards. Fees paid to the valuer are based on a fixed price contract.

As the property was let to a third party tenant, it was valued on the basis of the terms of the lease and current rent payable.

The investment property held by the group is classified as Level 3 under the fair value hierarchy (see page 149).

Property	Market value £m	Valuation technique	Key unobservable inputs	Range (weighted average)
Buckingham Gate	12.6	Residual development value	Rent per sq ft pa	£38.00 – £85.00 (£73.78)
			Rent-free period	1.5 yrs
			Capitalisation rate	5.5%
			Purchaser's costs	6.8%

An increased capitalisation rate of 0.25% would result in a decreased asset valuation of £0.6m and a decrease of 0.25% would result in an increased asset valuation of £0.6m. Conversely, an increase in the estimated rent by 10% would result in an increase in the asset valuation of £1.3m and a decrease of 10% would result in a decrease in the asset valuation of £1.3m. The above inputs are interdependent and partially determined by market conditions. The impact on the valuation could be mitigated by the inter-relationship between these inputs.

Notes to the financial statements (continued)

The prior year sensitivity to inputs was as follows:

The investment property held by the group is classified as Level 3.

Property	Market value £m	Valuation technique	Key unobservable inputs	Range (weighted average)
Buckingham Gate	13.3	Residual development value	Rent per sq ft pa	£38.00 – £85.00 (73.78)
			Rent-free period	1.5 yrs
			Capitalisation rate	5.25%
			Purchaser's costs	6.8%

An increased capitalisation rate of 0.25% would result in a decreased asset valuation of £0.6m (restated) and a decrease of 0.25% would result in an increased asset valuation of £0.8m (restated). Conversely, an increase in the estimated rent by 10% would result in an increase in the asset valuation of £1.3m and a decrease of 10% would result in a decrease in the asset valuation of £1.3m. The above inputs are interdependent and partially determined by market conditions. The impact on the valuation could be mitigated by the inter-relationship between these inputs.

10. Property, plant and equipment

Group

	Property £m	Office equip-ment £m	Total £m
Cost			
Balance at 31 March 2023	32.4	4.7	37.1
Acquisitions	–	0.5	0.5
Disposals	–	(0.2)	(0.2)
Balance at 31 March 2024	32.4	5.0	37.4
Acquisitions	–	1.8	1.8
Balance at 31 March 2025	32.4	6.8	39.2
Depreciation			
Balance at 31 March 2023	–	(3.1)	(3.1)
Depreciation charge	(0.6)	(0.5)	(1.1)
Eliminate depreciation	0.6	–	0.6
Disposals	–	0.2	0.2
Balance at 31 March 2024	–	(3.4)	(3.4)
Depreciation charge	(0.6)	(0.5)	(1.1)
Eliminate depreciation	0.6	–	0.6
Balance at 31 March 2025	–	(3.9)	(3.9)
Revaluation			
Balance at 31 March 2023	(6.1)	–	(6.1)
Revaluation in the year	(2.1)	–	(2.1)
Eliminate depreciation	(0.6)	–	(0.6)
Balance at 31 March 2024	(8.8)	–	(8.8)
Revaluation in the year	(0.6)	–	(0.6)
Eliminate depreciation	(0.6)	–	(0.6)
Balance at 31 March 2025	(10.0)	–	(10.0)
Carrying amounts			
At 31 March 2023	26.3	1.6	27.9
At 31 March 2024	23.6	1.6	25.2
At 31 March 2025	22.4	2.9	25.3

Property is measured at fair value and comprised freehold land and buildings.

Property was revalued at 31 March 2025 by an independent valuer. Had the property been carried under the cost model, the carrying amount would have been £24.0m (2024: £24.6m).

The fair value of the property was determined by Tuckerman, an external, independent property valuer, holding recognised and relevant professional qualifications and with recent experience in the location and category of the property being valued. The valuation conforms to the Royal Institution of Chartered Surveyors ('RICS') Valuation Professional Standards. Fees paid to the valuer are based on a fixed price contract.

The external valuations were prepared by considering the aggregate of the net annual rents receivable from the property and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

The property held by the group is classified as Level 3 under the fair value hierarchy (see page 149).

Property	Market value £m	Valuation technique	Key unobservable inputs	Range (weighted average)
Buckingham Gate	22.4	Rental yield	Rent per sq ft pa	£40.00 – £85.00 (£73.32)
			Capitalisation rate	5.5%
			Purchaser's costs	6.8%

An increased capitalisation rate of 0.25% would result in a decreased asset valuation of £1.1m and a decrease of 0.25% would result in an increased asset valuation of £1.2m. An increase in the estimated rent by 10% would result in an increase in the asset valuation of £1.1m and a decrease of 10% would result in a decrease in the asset valuation of £1.1m. The above inputs are interdependent and partially determined by market conditions. The impact on the valuation could be mitigated by the inter-relationship between these inputs.

The prior year sensitivity to inputs was as follows:

Property	Market value £m	Valuation technique	Key unobservable inputs	Range (weighted average)
Buckingham Gate	23.6	Rental yield	Rent per sq ft pa	£40.00 – £85.00 (£73.32)
			Capitalisation rate	5.25%
			Purchaser's costs	6.8%

An increased capitalisation rate of 0.25% would result in a decreased asset valuation of £1.2m and a decrease of 0.25% would result in an increased asset valuation of £1.2m. An increase in the estimated rent by 10% would result in an increase in the asset valuation of £1.1m and a decrease of 10% would result in a decrease in the asset valuation of £1.2m. The above inputs are interdependent and partially determined by market conditions. The impact on the valuation could be mitigated by the inter-relationship between these inputs.

11. Deferred tax

Deferred tax assets and liabilities were attributable to the following:

Group	Assets £m	Liabilities £m	Net £m
2025			
Employee benefits	5.3	(1.3)	4.0
Other timing differences	–	(0.2)	(0.2)
	5.3	(1.5)	3.8
2024			
Employee benefits	5.4	(1.0)	4.4
Other timing differences	(0.1)	(0.1)	(0.2)
	5.3	(1.1)	4.2

Movement in temporary differences during the year

Group	Balance at year start £m	Compre-hensive income £m	Other compre-hensive income £m	Balance at year end £m
2025				
Employee benefits	4.4	(0.5)	0.1	4.0
Other timing differences	(0.2)	–	–	(0.2)
	4.2	(0.5)	0.1	3.8
2024				
Employee benefits	4.1	0.5	(0.2)	4.4
Other timing differences	(0.2)	–	–	(0.2)
	3.9	0.5	(0.2)	4.2

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are calculated on all temporary differences using a tax rate of 25%.

Group and company

Unrecognised deferred tax assets

Deferred tax assets were not recognised in relation to the following deductible temporary differences and unused tax losses:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Tax losses	125.0	82.9	125.0	82.9
Corporate Interest Restrictions	–	4.0	–	4.0
Capital losses	82.3	76.6	63.2	63.2

These deductible temporary differences and unused tax losses do not expire.

Given the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval, the Company has not provided for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments held by the Company itself.

12. Trade and other receivables

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Non-current assets				
Other receivables	–	–	30.5	35.5

Company non-current other receivables comprise £30.5m (2024: £35.5m) due from a wholly owned subsidiary.

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Current assets				
Trade receivables	3.5	2.2	1.2	2.0
Non-trade receivables and prepayments	6.8	5.1	5.2	3.0
	10.3	7.3	6.4	5.0

We estimate expected credit losses on the Group and Company receivables to be under £0.1m (2024: less than £0.1m). Our ECL assessment included a review of recoverability of the Trade receivables which comprise quoted investment income and private capital sales balances to confirm amounts were received within one month of the reporting date.

An aged analysis of group trade receivables is disclosed below.

	Total £m	Within terms £m	0-1 month £m
2025	3.5	3.4	0.1
2024	2.2	2.1	0.1

13. Cash and cash equivalents

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Bank balances	9.8	3.9	8.3	4.5
Money market funds	141.5	223.5	140.2	222.8
Cash and cash equivalents	151.3	227.4	148.5	227.3

14. Interest-bearing loans and borrowings

There were no interest-bearing loans and borrowings outstanding at 31 March 2025 or 2024.

As at 31 March 2025 the group had undrawn committed facilities totalling £325m (2024: £250m), comprising two tranches: £175m with a three year term from BNP Paribas and Industrial and Commercial Bank of China that will expire in August 2027; and £150m with a five year term from The Royal Bank of Scotland International RBSI that will expire in August 2029. The bank facility is secured by way of floating charge over the public companies shares held by BNP Paribas, as global custodian to the company. The facilities are in place to ensure the group has sufficient liquid funds to meet its working capital and investment requirements, most notably drawdown notices from private equity funds, whose exact timing can be unpredictable.

The previous £250m bilateral facilities with The Royal Bank of Scotland International RBSI and ING were cancelled at the same time.

Notes to the financial statements (continued)

Covenants attached to the group loan facilities assess borrowing levels against the net assets of Caledonia plc and sub-categories of assets held therein, adjusted to take account of liquidity, asset concentration and the markets in which they are invested. As at 31 March 2025, Caledonia plc had remaining borrowing capacity under the covenants of £754m (2024: £560m), considerably in excess of undrawn facilities. Compliance with covenants is tested monthly.

During the year the group and company utilised £nil (2024: £70m) of an available £325m (2024: £250m) of bank revolving credit facilities.

15. Trade and other payables

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Trade payables	1.3	1.1	0.1	10.5
Non-trade payables and accrued expenses	3.7	3.1	10.6	7.5
Other payables	11.4	20.2	11.4	20.2
	16.4	24.4	22.1	38.2

Other payables of the group and company include short-term borrowing from non-consolidated subsidiaries of £11.4m (2024: £20.2m).

16. Share capital

	Ordinary shares £m	Deferred ordinary shares £m	Share premium £m	Total £m
Balance at 31 March 2023 and 2024	2.7	0.4	1.3	4.4
Transfer to capital redemption reserve on cancellation of share capital	(0.1)	–	–	(0.1)
Balance at 31 March 2025	2.6	0.4	1.3	4.3

The number of fully paid shares in issue was as follows:

	Ordinary shares		Deferred ordinary shares	
	2025 000's	2024 000's	2025 000's	2024 000's
Balance at the year start	54,612	54,664	8,000	8,000
Shares purchased and cancelled	(1,729)	(52)	–	–
Balance at the year end	52,883	54,612	8,000	8,000

The company had outstanding performance share scheme and deferred bonus awards (note 24).

As at 31 March 2025, the issued share capital of the company comprised 52,882,698 ordinary shares (2024: 54,611,759) and 8,000,000 deferred ordinary shares (2024: 8,000,000). The ordinary and deferred ordinary shares have a nominal value of 5p each.

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. In respect of the company's ordinary shares that are held by subsidiaries, all voting rights are suspended.

The deferred ordinary shares carry no voting rights and are not redeemable. They carry the right to a fixed cumulative preference dividend of 1% per annum (exclusive of any associated tax credit) of the nominal value of such deferred ordinary shares, being 0.05p per share, or £4,000 in aggregate, for all such shares currently in issue. The company is required to pay the dividend to the extent that it has distributable profits. On a winding-up or other return of capital, the deferred ordinary shares carry the right to the payment of the amount paid up on such shares only after holders of the ordinary shares have received the sum of £100,000 in respect of each such ordinary share. All of the deferred ordinary shares are held by Sterling Industries Ltd, a wholly-owned group company.

17. Net asset value ('NAV') and NAV total return ('NAVTR') APM

The group's undiluted net asset value is based on the net assets of the group at the year end and on the number of ordinary shares in issue at the year end less ordinary shares held by The Caledonia Investments plc Employee Share Trust. The group's diluted net asset value assumes the calling of performance share and deferred bonus awards.

	2025			2024		
	Net assets £m	Number of shares[1] 000's	NAV p/share	Net assets £m	Number of shares[1] 000's	NAV p/share
Undiluted	2,936.1	52,750	5558	2,965.3	54,388	5452
Share awards	–	793	(83)	–	844	(83)
Diluted	2,936.1	53,543	5475	2,965.3	55,232	5369

1. Number of shares in issue at the year end is stated after the deduction of 133,025 (2024: 223,666) ordinary shares held by the Caledonia Investments plc Employee Share Trust.

Net asset value total return is calculated in accordance with AIC guidance, as the change in NAV from the start of the period, assuming that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

	2025 p	2024 p
Diluted NAV at year start	5369	5068
Diluted NAV at year end	5475	5369
Dividends payable in the year	71	68
Reinvestment adjustment[2]	–	6
	5546	5443
NAVTR over the year	3.3%	7.4%

2. The reinvestment adjustment is the gain or loss resulting from reinvesting the dividends in NAV at the ex-dividend date.

18. Operating segments

The chief operating decision maker has been identified as the Executive Committee, which reviews the company's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The performance of operating segments is assessed on a measure of group total revenue, principally comprising gains and losses on investments and derivatives hedging those investments and investment income. Reportable profit or loss is after treasury income and 'Other items', which comprise management and other expenses and provisions. Reportable assets equate to the group's total assets. Cash and cash equivalents and other items are not identifiable operating segments.

'Other investments' comprise subsidiaries not managed as part of the investment portfolio.

Reportable segments are identified with reference to investment 'pools' which are used by management to organise the asset allocation and performance measurement of the business. The pools are quoted equity, private companies (Private Capital) and private equity funds (Funds), with each pool exposed to different risks, and operated by different teams according to distinct investment criteria and subject to different internal performance targets.

	Profit/(loss) before tax		Total assets	
	2025 £m	2024 £m	2025 £m	2024 £m
Public Companies	44.1	101.8	964.7	949.8
Private Capital	30.5	111.2	870.7	820.3
Funds	19.5	19.4	897.3	926.3
Investment portfolio	94.1	232.4	2,732.7	2,696.4
Other investments[1]	2.5	1.4	10.9	18.0
Total revenue/investments	96.6	233.8	2,743.6	2,714.4
Cash and cash equivalents	9.9	3.2	151.3	227.4
Other items	(39.7)	(35.6)	63.1	57.1
Reportable total	66.8	201.4	2,958.0	2,998.9

1. Other investments included £10.9m of non-pool investments (2024: £18.0m of non-pool investments).

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the currency of primary listing for listed securities, or country of residence for unquoted investments, and segment assets are based on the geographical location of the assets. Non-current assets below comprise investment property and property, plant and equipment (notes 9-10).

	UK £m	US £m	Other £m	Total £m
2025				
Revenue	(78.1)	103.1	71.6	96.6
Non-current assets	37.9	–	–	37.9
2024				
Revenue	7.8	102.6	123.4	233.8
Non-current assets	38.5	–	–	38.5

19. Related parties

Identity of related parties

The group and company had related party relationships with its subsidiaries (note 27) and associates (note 26) and with its key management personnel, being its directors.

Transactions with key management personnel

Certain directors of the company and their immediate relatives had significant influence in The Cayzer Trust Company Ltd, which held 36.6% of the voting shares of the company as at 31 March 2025 (2024: 35.6%).

During the year, the group invoiced and received £0.1m (2024: £0.1m) in rent and administration fees from The Cayzer Trust Company Ltd.

In addition to their salaries, the group provided non-cash and post-employment benefits to directors and executive officers. Details of directors' pension benefits are set out in the Directors' remuneration report on page 105.

The key management personnel compensation was as follows:

	Group	
	2025 £m	2024 £m
Short-term employee benefits	2.8	2.8
Equity compensation benefits	1.1	1.5
	3.9	4.3

Total remuneration of directors is included in 'Personnel expenses' (note 2).

Notes to the financial statements (continued)

Other related party transactions

Subsidiaries

Transactions between the company and its subsidiaries were as follows:

	2025 Amount of transactions £m	2025 Balance at year end £m	2024 Amount of transactions £m	2024 Balance at year end £m
Comprehensive income items				
Dividends receivable on equity shares	17.5	–	22.2	–
Interest receivable	3.0	–	2.4	–
Management fees payable	(32.6)	(12.6)	(31.4)	(11.4)
Interest payable	(0.1)	–	(7.3)	–
Taxation received	0.9	–	21.1	–
Taxation paid	(2.8)	–	–	–
Financial position items				
Capital contributed[1]	(31.4)	–	–	–
Investment loans	(34.9)	31.7	13.9	66.6
Loans receivable	(5.0)	30.5	–	35.5
Loans payable[2]	8.9	(11.4)	266.0	(20.2)

1. During the year the Company contributed its investment in SIS Holdings Ltd to a wholly owned subsidiary SISH Shareholder LLP.

2. During the prior year $328m (£266m) was repaid to Caledonia US Investments Ltd on the loan facility provided in 2023.

Associates

Transactions between the company and group and associates were as follows:

	2025 Amount of transactions £m	2025 Balance at year end £m	2024 Amount of transactions £m	2024 Balance at year end £m
Directors' fees[1]	0.1	–	0.1	–
Dividends receivable on equity shares	2.7	–	–	–

1. Transactions with subsidiary.

20. Operating leases

Leases as lessor

The group leases out its investment property under operating leases (note 9). The future minimum lease receipts under non-cancellable leases were as follows:

	2025 £m	2024 £m
Less than one year	0.9	0.9
Between one and five years	0.3	1.2
	1.2	2.1

During the year ended 31 March 2025, £0.7m (2024: £0.8m) was recognised as income in the statement of comprehensive income in respect of operating leases.

21. Capital commitments

At the reporting date, the group and company had entered into unconditional commitments to limited partnerships and committed loan facility agreements, as follows:

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Investments				
Contracted but not called	415.9	377.0	415.9	377.0
Loan facilities				
Committed but undrawn	–	–	9.5	4.5
	415.9	377.0	425.4	381.5

Amounts are callable within the next 12 months. The group has conducted a going concern assessment which considered future cash flows, the availability of liquid assets and debt facilities, over the 12-month period required. In making this assessment a number of stress scenarios were developed. The most extreme downside scenario included the impact of a market downturn event and all outstanding private equity fund commitments being drawn. Under this scenario the group would have a range of mitigating actions available to it, including sales of liquid assets and usage of banking facilities, which would provide sufficient funds to meet all of its liabilities as they fall due and still hold significant liquid assets over the assessment period. For further details on assessment of going concern and viability please refer to page 68.

22. Contingencies

The company has provided guarantees capped at £6.5m, £9.0m and £5.0m to the trustees of the Caledonia Pension Scheme, the Sterling Industries Pension Scheme and the Amber Industrial Holdings PLC Pension & Life Assurance Scheme respectively in respect of the liabilities of the participating employers of those schemes.

Management have not set out a maturity analysis in relation to the pensions guarantees totalling £20.5m on the grounds that management are unable to accurately allocate to the earliest period in which the guarantee could be called due to the conditions of this guarantee.

23. Financial instruments

Financial instruments comprise securities and other investments, cash balances, borrowings and receivables and payables that arise from operations. The investment portfolio includes listed and unlisted equity investments, debt instruments and investments in funds that are intended to be held for the long term.

Risk analysis

The main types of financial risk to which the group is exposed are market risk (which encompasses price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed are discussed below.

Market risk

Market risk embodies the potential for both losses and gains and includes price risk, currency risk and fair value interest rate risk.

The strategy for managing market risk is driven by the company's objectives, which are to outperform the CPIH by 3% to 6% in the short term and the FTSE All-Share Total Return index over rolling ten year periods. Investments are made in a range of instruments, including listed and unlisted equities, debt and investment funds, in a range of sectors and regions.

Price risk

Price risk may affect the value of listed and unlisted investments as a result of changes in market prices (other than arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. Factors affecting instruments traded in the market could include changes in market prices whether driven by market sentiment, information specific to individual investments, or the movements in foreign currency relative to the group's functional currency of Sterling.

As the majority of financial instruments are carried at fair value, with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will affect portfolio asset prices.

Price risk is managed by constructing a diversified portfolio of instruments traded on various markets and hedging where appropriate.

The exposures of listed and unlisted equity investments and fund interests were as follows:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Investments held at fair value through profit or loss	2,727.3	2,667.9	2,732.6	2,673.2

The following table details the sensitivity to a 10% variation in equity prices. The sensitivity analysis includes all equity and fund investments held at fair value through profit or loss and adjusts their valuation at the year end for a 10% change in value.

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Increase in prices	272.7	266.8	273.3	267.3
Decrease in prices	(272.7)	(266.8)	(273.3)	(267.3)

The sensitivity to equity and fund investments has increased during the year due to net gains on investments in the year more than offsetting net realisations thereby increasing the portfolio value at the year end.

Currency risk

The group's currency risk is attributable to monetary items which are denominated in currencies other than the group's functional currency of Sterling. This excludes the impact of foreign currency movements on equity instruments which carry foreign currency price risk (see price risk section above). There is exposure to the risk that the exchange rate of the functional currency may change relative to other currencies in a manner that has an adverse effect on the value of that portion of assets and liabilities denominated in currencies other than the functional currency.

The company's non-functional currency denominated monetary items and gains and losses thereon are reviewed regularly by the directors and the currency risk is managed by the directors within the overall asset allocation strategies.

The fair values of the monetary items that have foreign currency exposure were as follows:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Investments in debt instruments	–	1.6	–	1.6
Cash and cash equivalents	23.1	15.9	22.9	15.8
	23.1	17.5	22.9	17.4

The following table details the sensitivity to a 10% variation in exchange rates. This level of change is considered to be reasonable, based on observation of market conditions and historic trends. The sensitivity analysis includes all foreign denominated debt investments.

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Sterling depreciates (weakens)	1.9	1.6	1.9	1.6
Sterling appreciates (strengthens)	(1.6)	(1.3)	(1.6)	(1.3)

The exposure to foreign currency has increased in the year due to an increase in foreign denominated cash and cash equivalents more than offsetting the reduction in foreign debt investments.

The group actively monitors its exposure to foreign currency risk but does not seek to hedge against it.

Interest rate risk

Interest rate movements may affect the fair value of investments in fixed interest securities and the level of income receivable from floating income securities and cash at bank and on deposit.

The company and group held cash at bank, term deposits and money market funds, with the term to maturity of up to three months and fixed and floating rate, interest-bearing financial assets.

Notes to the financial statements (continued)

The company's interest bearing assets and liabilities are reviewed periodically by the company and interest rate risk is managed by the directors within the overall asset allocation strategies.

The exposure to interest rate risk on financial assets and liabilities was as follows:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Fixed rate				
Interest-bearing loans to non-consolidated subsidiaries	–	1.6	–	1.6
Floating rate				
Investments in debt instruments	16.3	25.9	16.3	25.9
Cash and cash equivalents	151.3	227.4	148.5	227.3

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date from a 50 basis point change taking place at the beginning of the financial year and held constant throughout the year. This level of change is considered to be reasonable, based on observation of market conditions and historic trends.

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Decrease in interest rates	(0.7)	(1.1)	(0.7)	(1.1)
Increase in interest rates	0.7	1.1	0.7	1.1

The group's sensitivity to interest rates has reduced over the year due to a reduction in net cash balances.

The group does not consider there is a material exposure to interest rate risk.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment. A credit policy is in place and exposure to credit risk is monitored regularly.

The exposure to credit risk in financial assets was as follows:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Investments in debt instruments	16.3	27.5	16.3	27.5
Operating and other receivables	10.3	7.3	36.9	40.5
Cash and cash equivalents	151.3	227.4	148.5	227.3
	177.9	262.2	201.7	295.3

The group's credit risk is primarily attributable to its cash and cash equivalents, trade receivables and debt investments. For an aged analysis of trade receivables see note 12. A group analysis of credit ratings for cash and cash equivalents is presented below. All other financial assets are unrated.

	Group	
Credit rating	2025 £m	2024 £m
AAAm[1]	141.5	223.5
A+ / A-[1]	9.8	3.9
	151.3	227.4

1. The group holds £141.5m (2024 - £223.5m) in Low Volatility Net Asset Value money market funds which all hold a AAAm rating from Standard & Poors and £9.8m (2024: £3.9m) of cash in current accounts with three commercial banks with credit ratings from Standard & Poor's of A+ and A-.

Debt instruments relate to loans to investees within the Private Capital pool totalling £16.3m (2024: £27.5m). Prior to making investments in debt instruments, management has in place a process of review that includes an evaluation of a potential investee company's ability to service and repay its debt. Management assesses the credit risk relating to these instrument as part of an overall ongoing monitoring of its debt and equity positions in each relevant investee.

The exposure to credit risk on operating and other receivables is mitigated by performing credit evaluations on investee companies as part of the due diligence process.

Credit risk arising on money market liquidity funds and cash and cash equivalents is mitigated by spreading liquidity investments and deposits across a number of approved counterparties in accordance with board policy. These are "AAA" rated money market funds, as determined by the rating agencies Fitch, Moody's or Standard & Poor's; highly-rated banks operating in the London money market; or investment-grade clearing banks specifically approved by the board. These credit ratings are reviewed regularly.

At the year end, the group and company had money market liquidity funds of £141.5m and £140.2m respectively (2024: £224.2m and £223.5m).

At the year end, the group and company had £20.0m invested in each of the Aberdeen Liquidity Fund (Lux) GBP, the ILF GBP liquidity fund from Insight and the LGIM Liquidity Fund GBP, £15.0m invested in each of the Institutional Sterling Liquidity fund from Blackrock, the Sterling Liquidity fund from Aviva Investors and the Sterling liquid reserves fund from Goldman Sachs and £12.0m invested in the JP Morgan GBP liquidity fund. In addition the company and group had £23.2m and £24.5m invested respectively in the HSBC Global Liquidity Funds plc Sterling and US Dollar Liquidity Funds.

At the prior year end, the group and company had £30.5m invested in the JP Morgan GBP and US Dollar liquidity funds, £30m invested in each of the ILF GBP liquidity fund from Insight and the LGIM Liquidity Fund GBP, £28.6m invested in the Institutional Sterling and US Dollar Liquidity funds from Blackrock, £26.0m invested in each of the Aberdeen Liquidity Fund (Lux) GBP, the Sterling Liquidity fund from Aviva Investors and the Sterling liquid reserves fund from Goldman Sachs. In addition the company and group had £25.7m and £26.4m invested respectively in the HSBC Global Liquidity Funds plc Sterling and US Dollar Liquidity Funds.

All transactions in listed securities are settled on contract terms using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligations. Listed security trades are settled through BNP Paribas Global Custody.

Fair value

Most of the financial instruments are carried at fair value in the Statement of financial position. Usually, the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments, specifically operating and other receivables and payables, the carrying amounts approximate fair value due to the immediate or short term nature of these financial instruments.

Liquidity risk

Liquidity risk arises as a result of the possibility that the group and company may not be able to meet its obligations as they fall due.

The corporate treasury function provides services to the company and group, coordinating access to domestic financial markets for both borrowing and depositing. Group companies access local financial markets when this is more favourable, in liaison with the corporate treasury function. Executive management monitors the group's liquidity on a weekly basis, including the level of undrawn committed bank facilities.

Bank facilities were undrawn at 31 March 2025 and 2024.

Capital management policies and procedures

The group's capital management objectives are:

- to ensure that the group and company will be able to continue as a going concern
- to maximise the income and capital return to the company's shareholders, principally through the use of equity capital, although the group will maintain appropriate borrowing facilities, to be used for short-term working capital or bridging finance, currently £325m (2024: £250m).

The group's total capital at 31 March 2025 was £2,931.6m (2024: £2,965.3m) and comprised equity share capital and reserves of £2,931.6m (2024: £2,965.3m) and £nil of borrowings (2024: £nil). The group was ungeared at the year end (2024: ungeared) and had £325m (2024: £250m) of undrawn committed bank facilities.

The board monitors and reviews the broad structure of the group's and company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account planned investment activity
- the possible buy-back of equity shares for cancellation, which takes account of the discount of the share price to net asset value per share
- the annual dividend policy.

The group's objectives, policies and processes for managing capital are unchanged from the preceding year.

The parent company is subject to the following externally imposed capital requirements:

- as a public limited company, the company is required to have a minimum issued share capital of £50,000
- to maintain its approval as an investment trust company, the company is required to comply with the provisions of section 1158 of the Corporation Tax Act 2010 as amended by the Investment Trust (Approved Company) (Tax) Regulations 2011.

The parent company has complied with these requirements, which are unchanged since the previous year end.

Fair value hierarchy

The company measures fair values using the following fair value hierarchy, reflecting the significance of the inputs used in making the measurements:

Level 1 Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 Inputs other than quoted prices included in Level 1 that are observable either directly or indirectly.

Level 3 Inputs that are unobservable.

The table below analyses financial instruments held at fair value according to level in the fair value hierarchy into which the fair value measurement is categorised:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Investments held at fair value				
Level 1	964.7	949.9	964.7	949.9
Level 2	14.4	8.4	14.4	8.4
Level 3	1,764.5	1,737.1	1,769.8	1,742.4
	2,743.6	2,695.4	2,748.9	2,700.7

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Balance at the year start	1,737.1	1,953.2	1,742.4	1,961.5
Transferred to Held for Sale	–	(19.0)	–	(19.0)
Purchases	213.5	269.8	213.5	269.8
Disposal proceeds	(203.9)	(327.8)	(203.9)	(327.8)
Gains and losses on investments sold in the year	56.2	122.7	56.2	122.7
Gains and losses on investments held at the year end	(40.6)	(263.2)	(40.6)	(266.2)
Accrued income	2.2	1.4	2.2	1.4
Balance at the year end	1,764.5	1,737.1	1,769.8	1,742.4

The following table provides information on significant unobservable inputs used at 31 March 2025 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Notes to the financial statements (continued)

Private company assets have been disaggregated into categories as follows: Assets in the large, earnings based category have an Enterprise Value of >£200m, and benefit from a reasonable number of comparative data points, as well as having sufficient size to make their earnings reliable and predictable. The assets in the small and medium, earnings based category have an Enterprise Value of <£200m and have a more limited universe of comparable businesses available. Manager valuations are used for assets where the net asset method is employed. During the prior year the large categorisation was increased to >£200m.

For private company assets we have chosen to sensitise and disclose EBITDA multiple inputs because their derivation involves the most significant judgements when estimating valuation, including which data sets to consider and prioritise. Valuations also include other unobservable inputs, including earnings, which are based on historic and forecast data and are less judgemental. For each asset category, inputs were sensitised by a percentage deemed to reflect the relative degree of estimation uncertainty, and valuation calculations re-performed to identify the impact.

Private equity fund assets are each held in and managed by the same type of fund vehicle, valued using the same method of adjusted manager valuations, and subject to broadly the same economic risks. They are therefore subject to a similar degree of estimation uncertainty. They have been sensitised at an aggregated level by 5% to reflect a degree of uncertainty over managers' valuations which form the basis of their fair value.

At 31 March 2025

Description / valuation method	Fair value £m	Unobservable input	Weighted average input	Input sensitivity +/-	Change in valuation +/- £m
Internally developed					
Private companies					
Large, earnings	555.5	EBITDA multiple	12.5x	10.0%	+56.2/-59.8
Small and medium, blend of methods	67.5	Various			+6.8/-7.5
Transaction	55.0		1	5%	+/-2.8
Net assets / manager valuation	192.7	Multiple	1	0.1x	+/-19.3
	870.7				+85.1/-89.4
Non-pool companies	10.9				
Total internal	881.6				
Externally developed					
Private equity fund					
Net asset value	882.9	Manager NAV	1	5%	+/-44.1
	1,764.5				+129.2/-133.5

The table below sets out information about significant unobservable inputs used at the prior year end, 31 March 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

At 31 March 2024

Description / valuation method	Fair value £m	Unobservable input	Weighted average input	Input sensitivity +/-	Change in valuation +/- £m
Internally developed					
Private companies					
Large, earnings	473.9	EBITDA multiple	12.1x	10.0%	+51.1/-52.7
Small and medium, earnings	164.0	EBITDA multiple	9.1x	10.0%-15%	+15.3/-14.4
Net assets / manager valuation	182.4	Multiple	1	0.1x	+18.6/-18.8
	820.3				+85.0/-85.9
Non-pool companies	18.0				
Total internal	838.3				
Externally developed					
Private equity fund					
Net asset value	898.8	Manager NAV	1	5%	+/-44.9
	1,737.1				+129.9/-130.8

Private capital companies

Valuation approach
For each asset, management considers a range of valuation methods and select those which are considered most appropriate for each asset, taking into consideration the quantity and quality of data points available with each method. Methods include inter alia:

Indicative offers. We regularly receive indications of interest from potential acquirers for our private capital assets, either as part of a structured sale process or in the form of a direct approach. Where we judge it appropriate, the insight gained from such approaches is incorporated into the data sets used in arriving at valuations. Where there is an offer from credible buyer or buyers, and there is an intention to advance discussions, our practice is to consider fair values derived from an indicative enterprise value based on offers received with an appropriate discount applied. Discounts aim to reflect the unique uncertainty associated with the execution of each transaction, and are normally in a range of 5-20%.

Multiples
This method involves the application of an earnings multiple to the maintainable earnings of the business, most commonly earnings before interest, tax, depreciation and amortisation ("EBITDA") multiples, and is likely to be appropriate for investments in established businesses with an identifiable ongoing earnings stream. Such multiples are derived from (i) comparable public companies based on geographic location, industry, size, target markets and other factors that management considers to be reasonable and (ii) reported mergers and acquisitions transactions involving comparable companies. EBITDA multiples ranged from 10x to 15x (2024: 4x to 15x), with a weighted average of 11.3x (2024: 11.5x). Earnings are obtained from portfolio company statutory and management accounts and forecast management accounts. Maintainable earnings are estimated by adjusting reported and forecast earnings for non-recurring items (for example restructuring expenses), for significant corporate actions, and, in exceptional cases, run-rate adjustments.

Net assets
This method is likely to be appropriate for businesses whose value derives principally from the underlying value of its assets rather than its ongoing earnings. A third-party valuation may be used to derive the fair value of a particular asset or group of assets, most commonly property assets.

Having selected an appropriate method, management then considers a range of data relevant to each asset. The data selected and the assumptions used are in each case examined by the Valuation Committee and Audit and Risk Committee to ensure sufficient challenge and reflection has been made on the decisions made to arrive at valuations.

In arriving at valuations for the Private Capital portfolio the directors have conducted a portfolio analysis, examining company and sector specific vulnerabilities, the quantity and quality of data available, as well as considering operating and financial leverage and liquidity. They have classified the investments into five categories based on a combination of enterprise value, valuation technique and sector as shown on the following page.

At 31 March 2025, the investments were classified as follows:

Investment	Category	EV Range £m	Valuation technique	Valuation £m
Stonehage Fleming	Large, internally developed	>200m	Earnings	221.4
AIR-serv	Large, internally developed	>200m	Earnings	197.7
Cobehold	Utilise external valuation	N/A	Net assets	192.7
Butcombe	Large, internally developed	>200m	Earnings	136.5
DTM	Utilise transaction price	N/A	Transaction	55.0
Cooke Optics	Small and Medium, internally developed	<200m	Blended method	44.1
Other investments				23.3
				870.7

At 31 March 2024, the investments were classified as follows:

Investment	Category	EV Range £m	Valuation technique	Valuation £m
Cobehold	Utilise external valuation	N/A	Net assets	181.0
AIR-serv	Large, internally developed	>200m	Earnings	170.1
Stonehage Fleming	Large, internally developed	>200m	Earnings	168.5
Butcombe	Large, internally developed	>200m	Earnings	135.2
Cooke Optics	Small and Medium, internally developed	<200m	Earnings	105.4
Other investments				60.1
				820.3

Notes to the financial statements (continued)

The valuation of Private Capital companies may also be informed by offers we have received from interested parties in the year.

More details on the valuation process for individual assets within these categories is outlined below.

Large, internally developed
AIR-serv, Stonehage Fleming and Butcombe use an earnings multiple method with earnings derived from trading over historic, current and forecast periods. A particularly high quality set of comparator companies was identified when arriving at an appropriate multiple.

Small and medium, internally developed
Cooke Optics and Sports Information Services used a blend of methods comprising the earnings multiple method, weighting of outcomes and discounted cash flows. Earnings were derived from trading over historic, current and forecast periods. Multiples were arrived at after considering a basket of sector specific transactions and sector specific multiples. Weightings of outcomes were based on future expected outcomes. Discounted cashflow techniques included forecast cashflows and appropriate discount rates.

Cooke Optics and Sports Information Services are market-leading companies operating in niche sectors so the quantity of available suitable publicly quoted comparators is low.

Transaction
Direct Tyre Management (DTM) used the price of the recent transaction method.

Utilise external valuation
Cobehold's fair value is derived from the valuation prepared by Cobepa (the manager) which reflects the net asset value of the group as at 31 December 2024, Cobehold's year end.

Non-pool companies
Non-pool companies comprise principally cash or group company receivables or payables held in subsidiary investment entities.

Private equity funds
Private equity fund interests are valued on a net assets basis, estimated based on the managers' NAVs. Managers' NAVs apply valuation techniques consistent with IFRS and are normally subject to audit. Managers' NAVs are usually published quarterly, two to four months after the quarter end. Consequently, the fund valuations included in these financial statements were based principally on the 31 December 2024 managers' NAVs.

24. Share-based payments

The company has a performance share scheme that entitles senior employees to receive options over the company's shares, which are exercisable subject to service and performance conditions. For nil-cost option awards granted in 2015 onwards, one-third of the shares comprised in the awards may be exercised after three years and two-thirds after five years.

The company also has a deferred bonus plan, under which senior employees compulsorily defer part of their annual bonus, being any bonus in excess of 50% of their basic salary for the bonus year, into shares.

The terms and conditions of the grants outstanding were as follows, whereby all grants are settled by physical delivery of shares:

Grant date	Entitlement	Vesting conditions	Number of shares
Performance share scheme awards			
26.06.15	Award grant to senior staff	Note 1	916
26.05.16	Award grant to senior staff	Note 1	2,585
21.07.17	Award grant to senior staff	Note 1	3,769
30.05.18	Award grant to senior staff	Note 1	5,393
31.05.19	Award grant to senior staff	Note 1	19,714
04.08.20	Award grant to senior staff	Note 1	161,110
04.06.21	Award grant to senior staff	Note 1	115,738
30.05.22	Award grant to senior staff	Note 1	152,075
25.11.22	Award grant to senior staff	Note 1	5,169
30.05.23	Award grant to senior staff	Note 1	186,741
24.11.23	Award grant to senior staff	Note 1	19,665
28.05.24	Award grant to senior staff	Note 1	227,912
07.11.24	Award grant to senior staff	Note 1	6,218
			907,005
Deferred bonus awards to senior staff			
30.05.22	Compulsory award	Note 2	34,283
30.05.23	Compulsory award	Note 2	1,976
28.05.24	Compulsory award	Note 2	29,224
			65,483

1. Three/five years of service with vesting on a graduated basis from 10% to 100% for annualised NAV total return of 3% to 10% and (for investment executives) annualised pool total returns in a range of 4% to 15%, in each case measured over three years for one-third of the award and five years for the remaining two-thirds of the award. Investment executives' awards are measured as to 80% by reference to pool total returns and 20% by reference to NAV total return, other than Mr Cayzer-Colvin's awards, which are 60% and 40% respectively.
2. Three years of service.

All performance share awards have a life of ten years and all deferred bonus awards have a life of four years.

The fair value of services received in return for performance share scheme and deferred awards granted was measured indirectly, by reference to the share price at the date of grant.

The weighted average share price at the date of exercise of share awards during the year was as follows:

	2025 p	2024 p
Weighted average share price	3521	3467

Under the schemes, awards were granted with service and non-market performance conditions. Such conditions were not taken into account in the fair value measurement of the services received at the dates of grant.

Employee expenses were as follows:

Years ended 31 March	2025 £m	2024 £m
Performance share awards granted in 2018	–	0.6
Performance share awards granted in 2019	–	0.4
Performance share awards granted in 2020	0.2	0.7
Performance share awards granted in 2021	0.8	1.1
Performance share awards granted in 2022	0.8	1.1
Performance share awards granted in 2023	0.1	0.8
Performance share awards granted in 2024	1.0	1.3
Performance share awards granted in 2025	1.3	–
Deferred bonus awards for 2021	0.1	0.6
Deferred bonus awards for 2022	0.5	0.5
Deferred bonus awards for 2024	0.3	–
	5.1	7.1

Notes to the financial statements (continued)

25. Employee benefits

Group

	2025 £m	2024 £m
Non-current assets		
Defined benefit pension asset	5.4	4.3
Current liabilities		
Profit sharing bonus	(3.7)	(3.1)
Non-current liabilities		
National Insurance on performance shares and deferred bonus awards	(2.8)	(2.7)
Dividends payable on performance shares and deferred bonus awards	(2.0)	(2.3)
	(4.8)	(5.0)
Total employee liabilities	(8.5)	(8.1)

Defined benefit pension obligations

The group operates three plans in the UK that provide pension benefits for employees and makes contributions to one of the plans. The schemes are approved by HMRC for tax purposes and operated separately from the group being managed by an independent set of trustees, whose appointment is determined by the schemes' documentation and legislation. The schemes are subject to UK funding regulations, which require the group and the trustees to agree a funding strategy and contribution schedule where necessary. Three (2024: three) of the schemes were in surplus on an IAS 19 basis. One scheme surplus was recognised in full as the company considers there is an unconditional right to a refund under IFRIC 14, one scheme surplus was capped at the economic benefit of reduced future contributions and one scheme surplus was unrecognised. Two schemes were effectively closed to new members in April 1996 and the other scheme in April 1997. New employees joining after that date were offered alternative defined contribution pension arrangements. Caledonia Group Services Ltd, a wholly owned subsidiary of Caledonia Investments plc, is the Sponsoring Employer for all Schemes.

Virgin Media section 37 case

The group has undertaken an impact assessment for each scheme, which includes the review of available historical records, relevant enquiries and the receipt of advice. Based on the group's impact assessment, no significant adjustments are expected to be required to the defined benefit pension obligations of the group's pension schemes in respect of the Virgin Media section 37 case as at the reporting date. The group will continue to monitor the developments in relation to the matter.

	2025 £m	2024 £m
Present value of funded obligations	(43.5)	(49.0)
Fair value of plan assets	72.3	74.1
Present value of net assets	28.8	25.1
Irrecoverable surplus	(23.4)	(20.8)
	5.4	4.3

Changes in the present value of defined benefit obligations were as follows:

	2025 £m	2024 £m
Balance at the year start	49.0	50.6
Service cost	0.1	0.1
Interest cost	2.3	2.4
Actuarial (gain)/loss from changes:		
- in demographic assumptions	(0.8)	(0.6)
- in financial assumptions	(4.0)	(0.9)
- experience gains	(0.2)	0.2
Plan amendment	0.2	–
Actual benefit payments	(3.1)	(2.8)
Balance at the year end	43.5	49.0

Changes in the fair value of plan assets were as follows:

	2025 £m	2024 £m
Balance at the year start	74.1	71.9
Interest income	3.5	3.4
Return on plan assets less interest income	(2.1)	1.5
Employer contributions	0.1	0.1
Actual benefit payments	(3.1)	(2.8)
Administrative expenses	(0.2)	–
Balance at the year end	72.3	74.1

Amounts recognised in management expenses in the Statement of comprehensive income were as follows:

	2025 £m	2024 £m
Service cost	0.1	0.1
Interest on obligations	2.3	2.4
Interest on plan assets	(3.5)	(3.4)
Plan amendment	0.2	–
Scheme administrative expenses	0.2	–
	(0.7)	(0.9)

Amounts recognised in other comprehensive income were as follows:

	2025 £m	2024 £m
Actuarial gains arising from financial assumptions	4.0	0.9
Actuarial gains arising from demographic assumptions	0.8	0.6
Actuarial gains/(losses) from experience adjustments	0.2	(0.2)
Return on plan assets less interest income	(2.1)	1.5
Increase in irrecoverable surplus	(2.6)	(3.6)
Re-measurement gains/(losses) in the year	0.3	(0.8)

An analysis of plan assets at the end of the year was as follows:

	2025 £m	2024 £m
Equities	13.1	35.3
Bonds	49.9	27.2
Cash	9.3	11.6
	72.3	74.1

The analysis of plan assets above included an underlying asset allocation of investment funds.

Principal actuarial assumptions at the reporting date (expressed as weighted averages) were as follows:

	2025 %	2024 %
Discount rate at the year end	5.6	4.8
Future salary increases	na	3.0
Future pension increases	3.2	3.3
RPI price inflation	3.2	3.3

Mortality rates are assumed to follow the Self-Administered Pension Schemes 'Series 4' very light tables with an allowance for future improvements in line with the CMI 2023 core projections model with a long-term trend of 1.50% pa and an initial addition of 0.75% pa. Life expectancy on retirement in normal health is assumed to be 26.9 years (2024: 27.8 years) for males and 28.2 years (2024: 28.8 years) for females who are currently 62 years of age.

Expected contributions to group post-employment benefit plans for the year ending 31 March 2026 were £nil (2025: £0.1m).

In the UK, the funding is set on the basis of a triennial funding valuation by the actuaries for which the assumptions may differ from those above. IAS 19 requires 'best estimate' assumptions to be used whereas the funding valuation uses 'prudent' assumptions. As a result of these valuations, the group and the scheme trustees agree a Schedule of Contributions, which sets out the required contributions from the employer and employees for current service. Where the scheme is in deficit, the Schedule of Contributions also includes required contributions from the employer to eliminate the deficit. The most recent triennial valuations were completed in 2024 for the Caledonia Pension Scheme (completed) and Amber Industrial Holdings pension scheme (in progress) and 2022 for the Sterling Industries Pension Scheme. A summary of the recent funding obligations and weighted average duration of the defined benefit obligations was as follows:

	Obligations at 31 Mar 2024 £m	Weighted average duration at 31 Mar 2025 years
Caledonia Pension Scheme	26.3	11

	At 30 Sep 2022 £m	At 31 Mar 2025 years
Sterling Industries Pension Scheme	17.2	9

	At 30 Mar 2021 £m	At 31 Mar 2025 years
Amber Industrial Holdings Pension Scheme	13.0	11

Sensitivities

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises the estimated increase in defined benefit obligations to a change in individual actuarial assumptions, while holding all other assumptions constant. This sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in an assumption would occur in isolation, as some of the assumptions may be correlated.

	2025 £m	2024 £m
Reduction in the discount rate of 0.25%	1.1	1.3
Increase in inflation of 0.25%	0.7	0.9
Increase in life expectancy of one year	1.8	2.0

Risks

The pension schemes typically expose the group to risks such as:

- Investment risk – the schemes hold their investments in equities and bonds, the value of which fluctuates, whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.
- Interest rate risk – the schemes' liabilities are assessed using market rates of interest, based on corporate bond yields, to discount the liabilities and are therefore subject to any volatility in the movement of the market rate of interest. The net interest income or expense recognised in profit or loss is calculated using the market rate of interest.
- Inflation risk – a significant proportion of the benefits under the schemes is linked to inflation. Although the schemes' assets are expected to provide a good hedge against inflation over the long term, movements over the short term would increase the schemes' net deficit.
- Mortality risk – in the event that members live longer than assumed, the liabilities may turn out to have been understated originally and a deficit may emerge if funding has not been adequately provided for the increased life expectancy.

26. Interests in associates

Company	Class	Holding %	Registered office
Sports Information Services (Holdings) Ltd[1]	Ordinary	22.6	Unit 1/2 Whitehall Avenue, Kingston, Milton Keynes, Buckinghamshire, MK10 0AX
Stonehage Fleming Family & Partners Ltd	Preferred A1 Ordinary	39.8 8.0	Third Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD

1. Sports Information Services (Holdings) Ltd is held via a subsidiary SISH Shareholder LLP

The company is an investment trust company and, accordingly, does not equity account for associates that are designated as investments held at fair value through profit or loss.

Aggregated amounts relating to associates, extracted on a 100% basis, were as follows:

	2025 £m	2024 £m
Assets	323.0	395.9
Liabilities	(224.7)	(269.4)
Equity	98.3	126.5
Revenues	408.8	429.1
Profit	11.9	15.7

Notes to the financial statements (continued)

27. Subsidiaries

Company	Class	Holding %	Key to Registered office	Company	Class	Holding %	Key to Registered office
Caledonia Investments							
Amber 2010 Ltd	Ordinary	100.0[1]	7	Crewkerne Investments Ltd	A Ordinary B Ordinary	50.5[1] 100.0[1]	7
Buckingham Gate Ltd[2]	Ordinary	100.0[1]	7	Easybox Self-Storage Ltd	Ordinary	100.0[1]	7
Caledonia CCIL Distribution Ltd	Ordinary	100.0[1]	7	Edinmore Investments Ltd	Ordinary	100.0[1]	7
Caledonia Financial Ltd	Ordinary	100.0[1]	7	SISH Shareholder LLP	Equity right	100.0[1]	7
Caledonia Group Services Ltd[2]	Ordinary	100.0[1]	7	Sterling Crewkerne Ltd	Ordinary	100.0[1]	7
Caledonia Land & Property Ltd	Ordinary	100.0[1]	7	Sterling Industries Ltd	Ordinary	100.0[1]	7
Caledonia Treasury Ltd	Ordinary	100.0[1]	7	The Union-Castle Mail Steamship Co Ltd	Ordinary A Ordinary	100.0[1] 100.0[1]	7
Caledonia US Investments Ltd	Ordinary	100.0[1]	7				
AIR-serv							
AIR-serv Belgium BV[3]	Ordinary	100.0	8	AIRvending Ltd[3]	Ordinary	100.0	13
AIR-serv France SARL[3]	Ordinary	100.0	9	Crossbow Bidco Ltd[3]	Ordinary	100.0	13
AIR-serv Germany GmbH[3]	Ordinary	100.0	10	Crossbow Midco Ltd[3]	Ordinary	100.0	13
AIR-serv Netherlands BV[3]	Ordinary	100.0	11	Crossbow Topco Ltd	Ordinary Growth	99.8[1] 34.7[1]	13
AIR-serv Spain SLU[3]	Ordinary	100.0	12				
Butcombe Group							
A.E. Smith & Son Ltd[4]	Ordinary	100.0	14	La Cave des Vins Ltd[4]	Ordinary	100.0	14
A.S.B.M. Ltd[4]	Ordinary	100.0	14	La Rocque Enterprises Ltd[4]	Ordinary	100.0	14
A.S.B.O. Ltd[4]	Ordinary	100.0	14	La Rocque Inn (Jersey) Ltd[4]	Ordinary	100.0	14
A.S.B.T. Ltd[4]	Ordinary	100.0	14	Lapwing (Trading) Ltd[4]	Ordinary	100.0	14
Aurora Hotel Ltd[4]	Ordinary	100.0	14	Le Hocq Hotel Ltd[4]	Ordinary	100.0	14
Bath Street Wine Cellar Ltd[4]	Ordinary	100.0	14	Les Garcons Ltd[4]	Ordinary	100.0	15
Brasserie du Centre Ltd[4]	Ordinary	100.0	14	Longueville Distributors Ltd[4]	Ordinary	100.0	14
Bucktrout & Company Ltd[4]	Deferred Ordinary Preference	100.0 100.0 100.0	15	M Still Catering Ltd[4]	Ordinary	100.0	16
Butcombe Brewery Ltd[4]	Ordinary	100.0	16	Marais Hall Ltd[4]	Ordinary	100.0	17
Butcombe Brewing Company Ltd[4]	Ordinary	100.0	16	Mary Ann Products (Jersey) Ltd[4]	Ordinary	100.0	14
Caesarea Hotel (Jersey) Ltd[4]	Ordinary	100.0	14	Mitre Hotel (Jersey) Ltd[4]	Ordinary	100.0	14
Café de Paris (Jersey) Ltd[4]	Ordinary	100.0	14	Nightbridge Ltd[4]	Ordinary	100.0	14
Caledonia TLG Bidco Ltd[4]	Ordinary	100.0	16	Old Court House Hotel (St Aubin) 1972 Ltd[4]	Ordinary	100.0	14
Caledonia TLG Ltd	Ordinary A Ordinary B Ordinary C Preference Deferred	100.0[1] 1.1[1] 75.4[1] 66.8[1] 100.0[1]	14	Parade Hotel (Jersey) Ltd[4]	Ordinary	100.0	14
Caledonia TLG Midco Ltd[4]	Ordinary	100.0	14	Peirson (1971) Ltd[4]	Ordinary	100.0	14
Captains Holdings Ltd[4]	Ordinary	100.0	15	Puffin NewCo Ltd[4]	Ordinary	100.0	14
Channel Wines & Spirits (Jersey) Ltd[4]	Ordinary	100.0	14	Red Lion Ltd[4]	Ordinary	100.0	14
Cirrus Inns Holdings Ltd[4]	Ordinary	100.0	16	Robin Hood (Jersey) Ltd[4]	Ordinary	100.0	14
Cirrus Inns Ltd[4]	Ordinary	100.0	16	S.L. Ltd[4]	Ordinary	100.0	14
Citann Ltd[4]	Ordinary Preference	100.0 100.0	14	Ship Holdings Ltd[4]	Ordinary	100.0	15
Cosy Corner (Jersey) Ltd[4]	Ordinary	100.0	14	Square Ltd[4]	Ordinary	100.0	14
Craig Street Brewing Company Ltd[4]	Ordinary	100.0	14	St John's Hotel Ltd[4]	Ordinary	100.0	14
Divette Holdings Ltd[4]	Ordinary	100.0	15	Stag Hotel (Jersey) Ltd[4]	Ordinary	100.0	14
Don Inn (Jersey) Ltd[4]	Ordinary	100.0	14	Sussex Hotel Ltd[4]	Ordinary	100.0	14
Evenstar Ltd[4]	Ordinary	100.0	14	The Guernsey Brewery Co (1920) Ltd[4]	Ordinary Preference	100.0 100.0	15
Exeter Hotel (Jersey) Ltd[4]	Ordinary	100.0	14	The Independent Brewing Company Ltd[4]	Ordinary	100.0	14
Farm Street Inns Ltd[4]	Ordinary	100.0	16	The Liberation Group Ltd[4]	Ordinary	100.0	14
Farmers Inn Ltd[4]	Ordinary	100.0	14	The Liberation Group UK Ltd[4]	Ordinary	100.0	16

Company	Class	Holding %	Key to Registered office	Company	Class	Holding %	Key to Registered office
Butcombe Group (continued)							
Five Oaks Hotel Ltd[4]	Ordinary	100.0	14	The Liberation Pub Company (Guernsey) Ltd[4]	Ordinary	100.0	15
Foresters Arms (Jersey) Ltd[4]	Ordinary	100.0	14	The Liberation Pub Company (Jersey) Ltd[4]	Ordinary	100.0	14
Gimbels (Jersey) Ltd[4]	Ordinary	100.0	14	The Post Horn Ltd[4]	Ordinary	100.0	14
Glo'ster Vaults Ltd[4]	Ordinary	100.0	14	The Royal Oak Inn Trading Ltd[4]	Ordinary	100.0	16
Great Union Hotel (Holdings) Ltd[4]	Ordinary	100.0	14	Trafalgar Hotel (Jersey) Ltd[4]	Ordinary	100.0	14
Great Western Hotel Ltd[4]	Ordinary	100.0	14	Union Inn (Jersey) Ltd[4]	Ordinary	100.0	14
Guernsey Leisure Company Ltd[4]	Ordinary	100.0	15	Victor Hugo Ltd[4]	Ordinary	100.0	14
Guppy's Holdings Ltd[4]	Ordinary	100.0	15	Victoria (Valley) Ltd[4]	Ordinary	100.0	14
Guppy's of Guernsey Ltd[4]	Ordinary	100.0	15	Victoria Hotel (Jersey) Ltd[4]	Ordinary	100.0	14
Hautville Ltd[4]	Ordinary	100.0	15	Wellington Hotel Ltd[4]	Ordinary	100.0	14
Horse & Hound (Jersey) Ltd[4]	Ordinary	100.0	14	Wests Cinemas Ltd[4]	Ordinary	100.0	14
John Tregear Ltd[4]	Ordinary	100.0	14	White Hart Ltd[4]	Ordinary	100.0	15
Cooke Optics							
Chaplin Bidco Ltd[5]	Ordinary	100.0	18	Cooke Optics (Hong Kong) Ltd[5]	Ordinary	100.0	21
Chaplin Midco Ltd[5]	Ordinary	100.0	18	Cooke Optics (India) Private Ltd[5]	Ordinary	100.0	22
Chaplin Topco Ltd	A Ordinary B Ordinary C Ordinary	100.0[1] 75.3[1] 98.6[1]	18	Cooke Optics Holdings Ltd[5]	Ordinary	100.0	18
Cooke Optics Inc.[5]	Ordinary	100.0	19	Cooke Optics Ltd[5]	Ordinary	100.0	18
Cooke (Shanghai) Optics Technology Co Ltd[5]	Ordinary A	100.0	20	Cooke Optics TV Ltd[5]	Ordinary	100.0	18
Cooke Optics Group Ltd[5]	Ordinary	100.0	18				
Direct Tyre Management							
Cefni Tyres Ltd[6]	Ordinary	100.0	23	IT5 Holdings Ltd[6]	Ordinary	100.0	23
Clan Rock Bidco Ltd[6]	Ordinary	100.0	23	IT5 Fleetmobile Ltd[6]	Ordinary	100.0	23
Clan Rock Midco Ltd[6]	Ordinary	100.0	23	Project Lafite Bidco Ltd[6]	Ordinary	100.0	23
Clan Rock Topco Ltd	Ordinary	98.6	23	Project Lafite Topco Ltd[6]	Ordinary	100.0	23
Direct Tyre Management Ltd[6]	Ordinary	100.0	23	Tyreforce NW Ltd[6]	Ordinary	100.0	23
Direct Tyre Sales Ltd[6]	Ordinary	100.0	23	Tyrewatch.com Ltd[6]	Ordinary	100.0	23
DTM Holdings Ltd[6]	Ordinary	100.0	23	Tyre Plus Durham Ltd[6]	Ordinary	100.0	23

1. Directly held by the company
2. Included in the consolidation
3. Subsidiary of Crossbow Topco Ltd
4. Subsidiary of Caledonia TLG Ltd
5. Subsidiary of Chaplin Topco Ltd
6. Subsidiary of Clan Rock Topco Ltd

Registered office addresses

7. Cayzer House, 30 Buckingham Gate, London SW1E 6NN
8. Rubensstraat 104/57, 2300 Turnhout, Belgium
9. Parc d'Activités les Béthunes, 16 rue du compas, 95310 Cergy Pontoise Cedex, France
10. Elisabethstr. 1, 52428 Jülich, Germany
11. Spuiweg 22 D, 5145 NE Waalwijk, The Netherlands
12. C/ Isla de Alegranza 2, nave 53, 28703 San Sebastián de los Reyes, Madrid, Spain
13. Redgate Road, South Lancashire Industrial Estate, Ashton-In-Makerfield, Wigan, Lancashire, WN4 8DT
14. Tregear House, Longueville Road, St Saviour, Jersey JE2 7WF
15. Hougue Jehannet, Vale, Guernsey GY3 5UF
16. Butcombe Brewery Havyatt Road Trading Estate, Havyatt Road, Wrington, Bristol, BS40 5PA
17. Marais Hall, Marais Square, St Anne, Alderney GY9 3TS
18. 1 Cooke Close, Thurmaston, Leicester LE4 8PT
19. 4131 Vanowen Place, Burbank, CA 91505, USA
20. Rooms 503/504, No 1 Building, No 908 Xiuwen Road, Minhang District, Shanghai, China
21. TMF Hong Kong Limited, 31F, Tower Two, Times Square, Matheson Street, Causeway Bay, Hong Kong
22. C/o Late B KRISHNA MURTHY PLOT NO. 8 ROAD NO 13 Banjara Hills Hyderabad Telangana India 500034
23. Unit 16 Thompson Road, Whitehills Business Park, Blackpool, FY4 5PN

Company performance record (unaudited)

The 10-year record of the company's financial performance is as follows:

	Profit/(loss) for the year £m	Diluted earnings per share p	Annual dividend p	Net assets £m	Diluted NAV per share p	Share price p	Rolling 10 years annualised: Total share-holder return %	Rolling 10 years annualised: FTSE All-Share Total Return %
2016	41.1	73.1	52.6	1,644	2890	2285	3.8	4.7
2017	290.1	518.4	54.8	1,899	3395	2750	5.2	5.7
2018	26.5	47.4	57.0	1,837	3285	2650	5.3	6.7
2019	198.2	354.7	59.3	2,002	3582	2980	11.6	11.1
2020	(172.5)	(315.0)	61.1	1,787	3236	2435	6.7	4.4
2021	467.6	837.8	62.9	2,225	4000	2645	7.1	6.0
2022	611.3	1101.5	64.8	2,783	5041	3540	11.9	7.2
2023	144.0	259.0	67.4	2,798	5068	3390	9.5	5.8
2024	203.4	369.0	70.4	2,965	5369	3280	8.6	5.8
2025	66.9	121.3	73.6	2,932	5475	3540	7.5	6.2

1. Annual dividends are stated in relation to the year's results from which they were paid. Dividends for 2017 and 2022 exclude the special dividend of 100.0p and 175.0p.

Investments summary (unaudited)

Holdings over 1% of net assets at 31 March 2025

Name	Pool	Geography	Business	Value £m	Net assets %
Stonehage Fleming	Private Capital	Chan Is.	Family office services	221.4	7.6
AIR-serv Europe	Private Capital	UK	Forecourt vending	197.7	6.7
Cobepa	Private Capital	Europe	Investment company	192.7	6.6
Butcombe Group	Private Capital	Chan Is.	Pubs, bars & inns	136.5	4.7
HighVista Strategies	Funds	US	Funds of funds	99.9	3.4
Philip Morris	Public Companies	US	Tobacco & smoke-free products	90.1	3.1
Watsco	Public Companies	US	Ventilation products	76.6	2.6
Microsoft	Public Companies	US	Software	73.6	2.5
Axiom Asia funds	Funds	Asia	Funds of funds	73.4	2.5
Oracle	Public Companies	US	Software	72.3	2.5
Texas Instruments	Public Companies	US	Semiconductors	64.2	2.2
De Cheng funds	Funds	Asia	Private equity funds	58.5	2.0
Direct Tyre Management	Private Capital	UK	Tyre management services	55.0	1.9
Cooke Optics	Private Capital	UK	Cinematography lenses	44.1	1.5
Fastenal	Public Companies	US	Industrial supplies	43.1	1.5
Charter Communications	Public Companies	US	Cable communications	40.4	1.4
Unicorn funds	Funds	Asia	Funds of funds	39.9	1.4
Thermo Fisher Scientific	Public Companies	US	Pharma and life sciences services	38.7	1.3
Moody's Corporation	Public Companies	US	Financial services	38.3	1.3
Asia Alternatives funds	Funds	Asia	Funds of funds	38.2	1.3
Hill & Smith	Public Companies	UK	Infrastructure	35.6	1.2
Croda International	Public Companies	UK	Speciality chemicals	34.6	1.2
Boyne funds	Funds	US	Private equity funds	33.4	1.1
Pool Corp	Public Companies	US	Pool services	31.9	1.1
Spirax Sarco	Public Companies	UK	Steam engineering	31.0	1.1
AE Industrial funds	Funds	US	Private equity funds	29.0	1.0
Stonepeak funds	Funds	US	Private equity funds	28.6	1.0
CenterOak funds	Funds	US	Private equity funds	28.5	1.0
Alibaba Group	Public Companies	Asia	E-commerce	28.5	1.0
Other assets				757.0	25.5
Investment portfolio				2,732.7	93.2
Cash and other net assets				198.9	6.8
Net assets				2,931.6	100.0

Glossary of terms and alternative performance measures (unaudited)

Alternative performance measures ('APMs')

APMs are not prescribed by accounting standards but are industry specific performance measures which help users of the annual accounts and financial statements to better interpret and understand performance.

Terms in this glossary identified as APMs have been highlighted by the symbol: APM

Discount

Ordinary shares are quoted on the stock market and can trade at a discount to the NAV of the company. The following discount applied to the shares:

	31 Mar 2025 £m	31 Mar 2024 £m
Share price (b)	3540p	3280p
NAV (a)	5475p	5369p
Discount ((a-b)/a) (expressed as a percentage)	35.3%	38.9%

Distributable profits

Distributable profits include profits distributable under the Companies Act 2006 and include distributable reserves, being realised revenue and capital profits, less any unrealised losses in excess of unrealised profits.

	31 Mar 2025 £m	31 Mar 2024 £m
Retained earnings	104.5	176.3
Distributable capital gains and losses	2,487.0	2,415.2
	2,591.5	2,591.5

Dividend cover

Dividend cover is the ratio of net revenue (as defined below) to the annual dividend payable (excluding special dividends) to shareholders out of profits for the year. It helps to indicate the sustainability of annual dividends.

	31 Mar 2025 £m	31 Mar 2024 £m
Net revenue (b)	30.9	40.5
Dividend payable (a)	39.0	38.3
Dividend cover ((b)/a) (expressed as a percentage)	79%	106%

Ex-dividend date

The date immediately preceding the record date (as described below) for a given dividend. Shareholders who acquire their shares on or after the ex-dividend date will not be eligible to receive the relevant dividend.

APM Investment and pool returns

The company uses the modified Dietz method as a measure of the performance of an investment or investment pool over a period. This method divides the gain or loss in value plus any income, less any capital cash flows, by the average capital invested over the period of measurement. Average capital takes into account the timing of individual cash flows.

Net assets

Net assets provides a measure of the value of the company to shareholders and is taken from the IFRS group net assets.

Net asset value ('NAV')

NAV is a measure of the value of the company, being its assets – principally investments made in other companies and cash held – minus any liabilities. NAV per share is calculated by dividing net assets by the number of shares in issue, adjusted for shares held by the company's Employee Share Trust and for dilution by the exercise of vested share awards. NAV takes account of dividends payable on the ex-dividend date.

See financial statements note 17.

APM NAV total return ('NAVTR')

NAVTR is a measure of how the NAV per share has performed over a period, considering both capital returns and dividends paid to shareholders. NAVTR is calculated as the increase in NAV per share between the beginning and end of the period, plus accretion from the assumed dividend reinvestment in the period. We use this measure as it enables comparisons to be drawn against an investment index in order to benchmark performance. The result is plotted on page 23. and the calculation follows the method prescribed by the Association of Investment Companies ('AIC').

See financial statements note 17.

	31 Mar 2025	31 Mar 2024	
Closing NAV per share (p)	5475p	5369p	a
Dividends paid out (p)	71p	241p	b
Effect of re-investing dividends (p)	–	6p	c
Adjusted NAV per share (p)	5446p	5443p	d=a+b+c
Opening NAV per share (p)	5369p	5068p	e
NAV total return (%)	3.3%	7.4%	=(d/e)-1

Glossary of terms and alternative performance measure (unaudited) (continued)

Net revenue

Net revenue comprises income from investments less management expenses, financing costs and tax. Net revenue comprises the revenue column presented in the Group statement of comprehensive income on page 130 and differs from total comprehensive income in excluding gains and losses on investments and other items of a capital nature. The separation of revenue and capital profits and losses is required by the AIC SORP as being of fundamental importance to shareholders and other users of the financial statements of investment trust companies.

Ongoing charges

The total of investment management fees and other expenses as shown in the income statement, as a percentage of the average monthly net asset value, following the guidance provided by the Association of Investment Companies. Expense items included in the ongoing charges calculation comprise recurring costs relating to the operation of the company. Ongoing charges exclude transaction costs, external performance fees and share-based payment expenses, which are directly linked to investment performance, and re-measurement of defined benefit pension schemes, also linked to market movements.

Share-based payments comprise awards under the company's performance share scheme, which vest subject to achieving NAVTR targets, as well as service requirements, plus deferred bonus awards which arise from annual bonus awards over 50% of basic salary, which also relate to the company's investment performance.

	31 Mar 2025 £m	31 Mar 2024 £m
Management expenses (a)	25.9	22.9
Annualised average net assets (b)	2,960.5	2,841.1
Ongoing charges (a)/(b) (expressed as a percentage)	0.87%	0.81%

Annualised average net assets - 31 Mar 2025	£m
Apr 24	2,937.2
May 24	2,963.1
Jun 24	2,946.1
Jul 24	2,978.7
Aug 24	2,946.8
Sep 24	2,917.7
Oct 24	2,950.3
Nov 24	3,004.5
Dec 24	2,963.4
Jan 25	3,007.1
Feb 25	2,978.9
Mar 25	2,931.6
Average	2,960.5

Annualised average net assets - 31 Mar 2024	£m
Apr 23	2,791.4
May 23	2,796.1
Jun 23	2,779.3
Jul 23	2,781.5
Aug 23	2,804.1
Sep 23	2,876.1
Oct 23	2,854.0
Nov 23	2,848.3
Dec 23	2,863.5
Jan 24	2,859.4
Feb 24	2,873.7
Mar 24	2,965.3
Average	2,841.1

Record date

The cut-off date on which a shareholder needs to be beneficially entitled to a share on the company's share register in order to qualify for a forthcoming dividend.

Total Shareholder Return ('TSR')

TSR measures the return to shareholders, taking into account the change in share price over a period of time as well as all the dividends paid during that period. It is assumed that the dividends are reinvested at the time the shares are quoted ex dividend.

Valuation methodology

Investments are measured at the directors' estimate of fair value at the reporting date, in accordance with IFRS 13 Fair Value Measurement. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Publicly traded securities

Listed investments in an active market are valued based on the closing bid price on the relevant exchange on the reporting date. When a bid price is unavailable, the price of the most recent transaction will normally be used.

Unquoted securities

Caledonia's valuation methodology for unquoted securities is derived from the International Private Equity and Venture Capital ('IPEV') Valuation Guidelines (December 2022). This guidance came into effect for periods beginning on or after 1 January 2023 and supersedes previous guidance.

Unquoted companies

Unquoted company investments are valued by applying an appropriate valuation technique, which makes maximum use of market-based information, is consistent with models generally used by market participants and is applied consistently from period to period, except where a change would result in a better estimation of fair value.

The value of an unquoted company investment is generally crystalised through the sale or flotation of the entire business, rather than the sale of an individual instrument. Therefore, the estimation of fair value is based on the assumed realisation of the entire enterprise at the reporting date. Recognition is given to the uncertainties inherent in estimating the fair value of unquoted companies and appropriate caution is applied in exercising judgements and in making the necessary estimates.

The valuation methodology applies the following steps:

1. determine the enterprise value using an appropriate valuation technique
2. adjust the enterprise value for factors that a market participant would take into account, such as surplus assets, excess liabilities and other contingencies
3. deduct the value of instruments ranking ahead of those held to derive the attributable value
4. apportion the attributable value between the remaining financial instruments
5. allocate the amounts derived according to the holding in each financial instrument.

Valuation methods

Enterprise value is normally determined using one of the following valuation methodologies:

Multiples

This methodology involves the application of an earnings multiple to the maintainable earnings of the business and is likely to be appropriate for an investment in an established business with an identifiable stream of continuing earnings.

Maintainable earnings are assessed using the latest available financial data. Earnings and balance sheet data are adjusted, where appropriate, for exceptional or non-recurring items and an average of more than one year's earnings may be used to estimate maintainable earnings for cyclical or volatile businesses.

The earnings multiple used is most commonly earnings before interest, tax, depreciation and amortisation ('EBITDA') and is determined by reference to market-based multiples appropriate for the business. Where possible, an average of several appropriate market multiples will be used. The aim is to identify comparator companies that are similar in terms of risk and growth prospects to the company being valued. The transaction multiples of similar comparator unquoted companies may also be considered in determining the earnings multiple.

Multiples of comparable companies may be adjusted individually or in aggregate to reflect points of difference between the comparators and the company being valued, with reference to the risk profile and earnings growth prospects that underpin the earnings multiple. Risk arises from a range of factors, including the nature of the company's operations, markets, competitive position, quality of management and employees and capital structure. Other reasons for adjustment may include the size and diversity of the entity, the rate of growth of earnings, reliance on key employees, diversity of products and customer base, and the level of borrowing. Adjustment will also be considered to the extent that a prospective acquirer would take account of additional risks associated with holding an unquoted share, including their ability to drive a realisation at will.

Net assets

The net assets methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its ongoing earnings, such as a property holding company or an investment business. It may also be appropriate for a business that is not making an adequate return on assets and for which a greater value can be realised by liquidating the business and selling its assets. A third-party valuation may be used to give the fair value of a certain asset or group of assets, most commonly property assets.

Valuation methodology (continued)

Indicative offers

We regularly receive indications of interest from potential acquirers for our private capital assets, either as part of a structured sale process or in the form of a direct approach. Where we judge it appropriate, the insight gained from such approaches is incorporated into the data sets used in arriving at valuations. Where there is an offer from a credible buyer or buyers, and there is an intention to advance discussions, our practice is to consider fair values derived from an indicative enterprise value based on offers received with an appropriate discount applied. Discounts aim to reflect the unique uncertainty associated with the execution of each transaction and are normally in a range of 5-20%.

Calibration and backtesting

When the price of an initial investment is deemed fair value (which is generally the case if the investment is considered an orderly transaction), the valuation techniques that are expected to be used to estimate fair value in the future are calibrated by using market inputs at the date the investment was made. Calibration validates that the valuation techniques using contemporaneous market inputs will generate fair value at inception and therefore give confidence that subsequent valuations using updated market inputs will generate fair value at each future measurement date.

Backtesting enables the valuer to understand any substantive differences that legitimately occur between the exit price and the previous fair value assessment, by applying the information known at exit to the previous valuation technique. Backtesting is used to help refine the valuation process.

Fund interests

Fund interests refer to participations in externally managed investment vehicles that invest in a wider range of assets than is feasible for an individual investor to value separately.

Open-end funds, including investment companies with variable capital, typically report regular net asset values, which usually provide a reliable basis to estimate fair value. Management periodically assesses whether reported net asset values are fair value based through consideration of a range of information, including but not limited to underlying valuation methodologies, governance and assurance frameworks, and correspondence with third-party managers. If the price reported by the fund is not available at the reporting date, the latest available price is used and may be adjusted to take account of changes or events to the reporting date, if material.

Closed-end funds include unlisted investment companies and limited partnerships. For these investments, the fair value estimate is based on a summation of the estimated fair value of the underlying investments ('fund NAV') attributable to the investor. Fund NAV may be used where there is evidence that the valuation is derived using fair value principles. Fund NAV reports are normally received some time after the reporting date, typically two or three months, but sometimes up to six months. The latest available fund NAV will normally provide the basis of a fair value estimate, adjusted for subsequent investments and realisations. Adjustment may also be necessary for features of the fund agreement not captured in the valuation report, such as performance fees or carried interest. The timing of fund NAV reports creates a risk of changes or events occurring between the fund NAV and reporting dates, which impacts valuation. This issue is monitored carefully and, if of a material nature, can lead to adjustments either at the specific fund level or more broadly across the relevant funds affected by the identified change or event. If a decision has been made to sell the fund interest or portion thereof, the expected sale price would normally provide the best estimate of fair value.

Other investments

Other investments include preference shares, loan notes or facilities, options, warrants and treasury instruments that are not publicly traded and do not form part of an investment in an unlisted company. For such investments, appropriate valuation techniques are adopted and used consistently.

Environmental, Social and Governance factors

Environmental, Social and Governance ('ESG') factors, both quantitative and qualitative, may impact fair value. Our fair estimates therefore incorporate ESG initiatives and the ESG regulatory environment to the extent they are known or knowable.

Information for investors

Registrar

Our Registrar is:
MUFG Corporate Markets ('MUFG')
Central Square
29 Wellington Street
Leeds LS1 4DL

Shareholder enquiries: (open 9.00am to 5.30pm)
0371 664 0300 or +44 371 664 0300 if calling from overseas

Share dealing service: (open 8.00am to 4.30pm)
0371 664 0445 or +44 371 664 0445 if calling from overseas

Calls to 0371 are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate.

MUFG also provide an online service, Signal Shares, through which you can view your shareholding details, transaction and dividend histories, change your address, bank mandate and electronic communication preference and use the online proxy voting service. Signal Shares is available at www.signalshares.com.

Financial calendar

Final dividend ex-dividend date	26 June 2025
Final dividend record date	27 June 2025
Annual general meeting	16 July 2025
Final dividend payment date	7 August 2025
Half-year results announcement	November 2025
Anticipated interim dividend payment date	January 2026
2026 annual results announcement	May 2026
2026 annual report publication	June 2026

Electronic communications

You may elect to receive communications from the company electronically via its website as an alternative to receiving hard copy accounts and circulars. If you would like to change your communication preference, you may do so at www.signalshares.com or by writing to MUFG at FREEPOST SAS, MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL (if you are a UK based shareholder) or to SAS, MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL. No stamp is required for letters from UK shareholders.

Share price information

The company's ordinary shares are listed on the London Stock Exchange under the SEDOL code of 0163992 or TIDM code of CLDN. Prices are published daily in the Financial Times under the 'Investment Companies' heading and in other leading newspapers and can also be viewed on the company's website at www.caledonia.com.

The ISIN for Caledonia's ordinary shares is GB0001639920.

Monthly net asset value

The company releases a net asset value announcement and publishes a factsheet shortly after each month end. These can be found on the company's website at www.caledonia.com.

Boiler room and other scams

Investment and pension scams are often sophisticated and difficult to spot. Shareholders are advised to be wary of any unexpected offers received by email, post or telephone and to check the Financial Conduct Authority's Warning List if any unsolicited communication is received. Visit www.fca.org.uk/scamsmart for more information.

Directors and advisers

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Executive directors
Mathew S D Masters (Chief Executive Officer)
Robert W Memmott (Chief Financial Officer)
Jamie M B Cayzer-Colvin

Non-executive directors
Farah A Buckley[2,3,4]
The Hon Charles W Cayzer[2]
Guy B Davison[1,2,4]
M Anne Farlow[1,2,3,4]
Claire L Fitzalan Howard[2,3,4]
Lynn R Fordham[1,2,4]
William P Wyatt[2]

1. Member of the Audit and Risk Committee
2. Member of the Nomination Committee
3. Member of the Remuneration Committee
4. Member of the Governance Committee

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The Association of Investment Companies

ShareGift

We support ShareGift, the charity share donation scheme (registered charity number 1052686). Through ShareGift, shareholders who have only a small number of shares, which might be considered uneconomic to sell, are able to donate them to charity. Donated shares are aggregated and sold by ShareGift, the proceeds being passed on to a wide range of UK charities. See sharegift.org or call +44 20 7930 3737 for further details.

Updates

If you would like to receive up-to-date information about Caledonia, please scan the QR code to the right of this page to visit our website. If you have a smartphone, you can activate the QR code by opening the camera on your device and pointing it at the QR code. This will open a link to the 'Contact us' page on the website where you can subscribe to receive or amend email alert notifications, including Factsheets, news, reports and/or RNS announcements. To find out how we process personal data, please read the Privacy Policy available at www.caledonia.com/privacy-policy.

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