

Strategic Report,  
Report of the Directors and  
Financial Statements  
for the Year Ended 31st December 2016  
for  
Salmon Harvester Properties Limited

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for the Year Ended 31st December 2016

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Salmon Harvester Properties Limited

Company Information  
for the Year Ended 31st December 2016

**DIRECTORS:**

D J Stewart  
K Arif  
R G F Henderson  
R M Topps  
A S L Beasley

**SECRETARY:**

S E Johns

**REGISTERED OFFICE:**

Tiddington Road  
Stratford-upon-Avon  
Warwickshire  
CV37 7BJ

**REGISTERED NUMBER:**

02921283 (England and Wales)

**AUDITORS:**

Meyer Williams  
Chartered Accountants  
& Statutory Auditors  
Stag House  
Old London Road  
Hertford  
Hertfordshire  
SG13 7LA

Strategic Report  
for the Year Ended 31st December 2016

The directors present their strategic report for the year ended 31st December 2016.

**REVIEW OF BUSINESS**

In 2016, the property market experienced a slow down in activity as the implications of the United Kingdom's withdrawal from the European Union were assessed by the market during the second half of the year.

It was another strong year for Salmon Harvester Properties Limited with the company reporting a post tax profit. Sales in the year were attributable entirely to the sale of development services, whilst the company also earned significant revenues from development activities, asset management and the letting of commercial property. In this regard the company has performed well, with a number of new lettings secured and a rent receivable increase of 26%.

Looking forward, the company will continue to exploit existing assets and also explore new development opportunities to generate development profit in 2017 and beyond.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Business Risk

The directors consider that the company's principal business risk is a downturn in property values which could affect the recoverability of the investment in work in progress. This risk is not considered a major concern due to the spread of investments and current market values which overall are comfortably in excess of book cost.

Liquidity Risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest Rate Risk

The company is exposed to cash flow interest rate risk on its loans. Company policy permits but does not demand that a mix of fixed and variable rate debt is used to reduce exposure.

Credit Risk

The company places its cash with creditworthy institutions and performs ongoing credit evaluations of its debtors' financial position. New customers who wish to enter into contracts with the company are subject to credit verification procedures and relevant guarantees and undertakings are sought where appropriate. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

The carrying amount of cash and debtors represent the maximum credit risk to which the company is exposed.

Treasury Operations and Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability (or equity instrument) in another entity. The company's principal financial instruments include long term development contracts entered into and various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Financial instruments are not entered into for speculative purposes.

**ON BEHALF OF THE BOARD:**



.....  
D J Stewart - Director

Date: 19th April 2017

Report of the Directors  
for the Year Ended 31st December 2016

The directors present their report with the financial statements of the company for the year ended 31st December 2016.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of property development. The company also acts as an asset manager to provide real estate management and asset advisory services.

**DIVIDENDS**

The total distribution of dividends for the year ended 31st December 2016 will be £2,052,001.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2016 to the date of this report.

D J Stewart  
K Arif  
R G F Henderson  
R M Topps  
A S L Beasley

Other changes in directors holding office are as follows:

R A Martin - deceased 29th January 2016  
D Mapp - resigned 22nd August 2016

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors  
for the Year Ended 31st December 2016

**AUDITORS**

The auditors, Meyer Williams, will be proposed for re-appointment at the forthcoming General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
D J Stewart - Director

Date: .....

19<sup>th</sup> April 2017

Report of the Independent Auditors to the Members of  
Salmon Harvester Properties Limited

We have audited the financial statements of Salmon Harvester Properties Limited for the year ended 31st December 2016 on pages seven to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of  
Salmon Harvester Properties Limited

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ralph Bears (Senior Statutory Auditor)  
for and on behalf of Meyer Williams  
Chartered Accountants  
& Statutory Auditors  
Stag House  
Old London Road  
Hertford  
Hertfordshire  
SG13 7LA

Date: 5 MAY 2017.....



Salmon Harvester Properties Limited (Registered number: 02921283)

Statement of Comprehensive Income  
for the Year Ended 31st December 2016

	Notes	31.12.16 £	31.12.15 £
<b>TURNOVER</b>	3	2,568,308	18,684,146
Cost of sales		5,013,635	19,832,205
<b>GROSS LOSS</b>		(2,445,327)	(1,148,059)
Administrative expenses		581,074	615,648
		(3,026,401)	(1,763,707)
Other operating income	4	5,535,406	5,093,042
<b>OPERATING PROFIT</b>	6	2,509,005	3,329,335
Interest receivable and similar income	7	63,012	60,253
		2,572,017	3,389,588
Interest payable and similar expenses	8	-	10
<b>PROFIT BEFORE TAXATION</b>		2,572,017	3,389,578
Tax on profit	9	520,016	664,138
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2,052,001	2,725,440
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		2,052,001	2,725,440

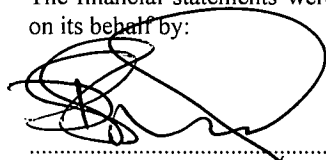
The notes form part of these financial statements

Salmon Harvester Properties Limited (Registered number: 02921283)

Balance Sheet  
31st December 2016

	Notes	31.12.16 £	£	31.12.15 £	£
<b>FIXED ASSETS</b>					
Investments	11		1,500,343		1,500,343
<b>CURRENT ASSETS</b>					
Stocks	12	48,404,218		36,848,055	
Debtors: amounts falling due within one year	13	4,440,954		3,867,907	
Debtors: amounts falling due after more than one year	13	1,026,627		1,016,627	
Cash at bank		2,133,647		3,197,270	
		56,005,446		44,929,859	
<b>CREDITORS</b>					
Amounts falling due within one year	14	52,310,171		41,234,584	
<b>NET CURRENT ASSETS</b>			3,695,275		3,695,275
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,195,618		5,195,618
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		4,806		4,806
Share premium	19		4,601,212		4,601,212
Capital redemption reserve	19		200,000		200,000
Retained earnings	19		389,600		389,600
<b>SHAREHOLDERS' FUNDS</b>			5,195,618		5,195,618

The financial statements were authorised for issue by the Board of Directors on 19<sup>th</sup> April 2017 and were signed on its behalf by:



.....  
D J Stewart - Director



.....  
K Arif - Director

The notes form part of these financial statements

Statement of Changes in Equity  
for the Year Ended 31st December 2016

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1st January 2015</b>	4,806	389,600	4,601,212	200,000	5,195,618
<b>Changes in equity</b>					
Dividends	-	(2,725,440)	-	-	(2,725,440)
Total comprehensive income	-	2,725,440	-	-	2,725,440
<b>Balance at 31st December 2015</b>	<u>4,806</u>	<u>389,600</u>	<u>4,601,212</u>	<u>200,000</u>	<u>5,195,618</u>
<b>Changes in equity</b>					
Dividends	-	(2,052,001)	-	-	(2,052,001)
Total comprehensive income	-	2,052,001	-	-	2,052,001
<b>Balance at 31st December 2016</b>	<u>4,806</u>	<u>389,600</u>	<u>4,601,212</u>	<u>200,000</u>	<u>5,195,618</u>

Salmon Harvester Properties Limited (Registered number: 02921283)

Cash Flow Statement  
for the Year Ended 31st December 2016

	Notes	31.12.16 £	31.12.15 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	(10,108,720)	8,001,790
Interest paid		-	(10)
Tax paid		(510,914)	(658,409)
Net cash from operating activities		(10,619,634)	7,343,371
<b>Cash flows from investing activities</b>			
Interest received		63,012	60,253
Net cash from investing activities		63,012	60,253
<b>Cash flows from financing activities</b>			
Increase in amounts owed to NFUM		12,218,439	8,237,911
Repayments to NFUM		-	(12,900,000)
Equity dividends paid		(2,725,440)	(1,079,530)
Net cash from financing activities		9,492,999	(5,741,619)
(Decrease)/increase in cash and cash equivalents		(1,063,623)	1,662,005
Cash and cash equivalents at beginning of year	23	3,197,270	1,535,265
Cash and cash equivalents at end of year	23	2,133,647	3,197,270

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31st December 2016

**1. STATUTORY INFORMATION**

Salmon Harvester Properties Limited is a company limited by shares, incorporated in England and Wales. The registered office is Tiddington Road, Stratford Upon Avon, Warwickshire, CV37 7BJ.

The presentation currency of the financial statements is Sterling, which is the functional currency of the company.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and with the Companies Act 2006, under the historical cost convention.

The company has taken advantage of the exemption conferred by Section 400 of the Companies Act 2006 not to prepare group accounts because the group headed by the company is included within the consolidated accounts of a larger group with an EU parent, namely, The National Farmers Union Mutual Insurance Society Limited (NFUM). Copies of group accounts can be obtained from the NFUM registered office at Tiddington Road, Stratford-Upon-Avon, Warwickshire, CV37 7BJ.

These financial statements present information about the company as an individual undertaking.

**Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has the adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had a significant effect on amounts recognised in the financial statements:

The directors have made key assumptions regarding the stage of completion, future costs to complete and recoverability of costs on some contracts.

The directors make estimates of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, the factors considered include the current credit rating of the debtor, the ageing profile of debtors and historical experience.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable from the sale of goods and from the rendering of services in the year including the value of long-term contract work completed, and is stated net of discounts and value added tax.

The company recognises revenue when the risks and rewards of ownership have transferred to the buyer, usually on the completion of a contract, when the amount of revenue can be measured reliably and it is probable that economic benefits associated to the transaction will flow to the entity.

Rental income is charged to the profit and loss account in the period to which it relates. Rent free periods granted as individual lease incentives are spread evenly over the period of the lease on a straight-line basis from the rent commencement date to the lease end.

Revenue received in respect of Asset Management fees is recognised on a quarterly basis based on an agreement for the management of certain assets.

Revenue received in respect of performance fees is recognised annually when conditions outlined in an asset management agreement have been met.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

2. **ACCOUNTING POLICIES - continued**

**Investments in subsidiaries and associates**

Investments in group undertakings, associates and participating interests are recognised at cost less accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals are recognised immediately in profit or loss.

**Stocks**

Land and buildings in the course of development are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost for this purpose comprises the cost to the company of acquiring the land, construction and other development costs, including (where the directors consider it appropriate) interest incurred on loans specifically utilised for funding the development of various sites where amounts are considered to be recoverable in full.

Work in progress is valued at direct cost less amounts transferred to the profit and loss account in respect of work carried out, less foreseeable losses and payments on account. Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion. Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using effective interest method, less any impairment.

**Cash and cash equivalents**

For the purposes of the cash flow statement, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk to changes in value.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

**Current tax**

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The directors periodically evaluate the position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in the periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

2. **ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Borrowing costs**

All borrowing costs are recognised in the period in which they are incurred. Borrowing costs in relation to loans utilised for the purpose of financing land and buildings in the course of development are capitalised where the directors consider it to be appropriate. All other borrowing costs are recognised in the profit and loss account.

**Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals applicable to operating leases where substantially all of the benefits of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the term of the lease.

**Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade debtors, trade creditors and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

3. **TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	31.12.16 £	31.12.15 £
Sale of properties	-	18,070,167
Sale of development services	2,568,308	613,979
	<u>2,568,308</u>	<u>18,684,146</u>

4. **OTHER OPERATING INCOME**

	31.12.16 £	31.12.15 £
Rents receivable	522,874	414,320
Miscellaneous income	7,573	9,496
Distributions receivable	55,543	85,629
Asset management fees	1,274,112	1,303,463
Performance fees	3,675,304	3,280,134
	<u>5,535,406</u>	<u>5,093,042</u>

5. **EMPLOYEES AND DIRECTORS**

	31.12.16 £	31.12.15 £
Wages and salaries	331,375	311,674
Social security costs	41,955	37,563
Other pension costs	740	-
	<u>374,070</u>	<u>349,237</u>

The average monthly number of employees during the year was as follows:

	31.12.16	31.12.15
Directors	6	7
Administration	3	3
	<u>9</u>	<u>10</u>

	31.12.16 £	31.12.15 £
Directors' remuneration	-	-



Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.16	31.12.15
	£	£
Auditors' remuneration	27,725	27,500
Total cost of stock recognised as an expense	<u>2,545,028</u>	<u>16,917,674</u>

7. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	31.12.16	31.12.15
	£	£
Interest from associated company	62,382	59,899
Bank interest	630	354
	<u>63,012</u>	<u>60,253</u>

8. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.16	31.12.15
	£	£
Bank interest	-	10
	<u>-</u>	<u>10</u>

NFUM loan interest (see notes 15 and 21) is included within direct costs in the profit and loss account and carried forward as work in progress where the directors consider it appropriate.

9. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.16	31.12.15
	£	£
Current tax:		
UK corporation tax	514,403	686,390
Adjustments to previous years	5,613	(22,252)
	<u>520,016</u>	<u>664,138</u>
Tax on profit	<u>520,016</u>	<u>664,138</u>

10. **DIVIDENDS**

	31.12.16	31.12.15
	£	£
'A' ordinary shares of 1p each		
Final	1,641,601	2,180,352
'B' ordinary shares of 1p each		
Final	410,400	545,088
	<u>2,052,001</u>	<u>2,725,440</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Interest in associated undertaking £	Interest in other participating interests £	Totals £
<b>COST</b>				
At 1st January 2016 and 31st December 2016	3	320	1,500,020	1,500,343
<b>NET BOOK VALUE</b>				
At 31st December 2016	3	320	1,500,020	1,500,343
At 31st December 2015	3	320	1,500,020	1,500,343

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Salmon Harvester Properties (Orbital A3) Limited**

Registered office:

Nature of business: Dormant

Class of shares:	% holding		
£1 ordinary	100.00	31.12.16 £	31.12.15 £
Aggregate capital and reserves		1	1

**Ascot Business Park Management Company Limited**

Registered office:

Nature of business: Dormant

Class of shares:	% holding		
£1 ordinary	100.00	31.12.16 £	31.12.15 £
Aggregate capital and reserves		1	1

**Ascot Business Park Parking Limited**

Registered office:

Nature of business: Letting services

Class of shares:	% holding		
Ordinary	100.00	31.12.16 £	31.12.15 £
Aggregate capital and reserves		343	343

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

11. **FIXED ASSET INVESTMENTS - continued**

**Associated company**

**FSH Airport (Edinburgh) Services Limited**

Registered office:

Nature of business: Property trading and development

	%		
Class of shares:	holding		
£1 ordinary	50.00	30.6.16	30.6.15
		£	£
Aggregate capital and reserves		(4,311,337)	(4,057,563)
Loss for the year		(253,789)	(241,956)
		<u>          </u>	<u>          </u>

**Participating Interests**

**SHP Opportunity Fund General Partner Limited**

Nature of business: General Partner to SHP Opportunity Fund, a limited partnership established to carry on the business of investing in UK real estate assets.

	%
Class of shares:	holding
£1 ordinary	2

The balance of the holding is held directly by NFUM.

**SHP Opportunity Fund Unit Trust**

Nature of business: Jersey domiciled property Unit Trust

	%
Class of shares:	holding
£1 units	2

The balance of the holding is held directly by NFUM.

The unit holders have committed to subscribing £75,000,000 to the SHP Opportunity Fund Unit Trust with an ability to gear the fund on a 1:1 basis.

12. **STOCKS**

	31.12.16	31.12.15
	£	£
Long term contract balances	14,912,322	12,941,847
Less: Amounts transferred to profit and loss account	(13,967,590)	(12,336,673)
	<u>          </u>	<u>          </u>
Work in progress	944,732	605,174
Land and buildings in the course of development	47,459,486	36,242,881
	<u>          </u>	<u>          </u>
	<u>48,404,218</u>	<u>36,848,055</u>

Land and buildings in the course of development and work in progress includes interest capitalised in the year of £725,991 (2015: £735,437).

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

13. **DEBTORS**

	31.12.16 £	31.12.15 £
Amounts falling due within one year:		
Trade debtors	352,572	376,045
Other debtors	218,334	179,926
Prepayments and accrued income	3,870,048	3,311,936
	<u>4,440,954</u>	<u>3,867,907</u>
Amounts falling due after more than one year:		
Amounts owed by associates	<u>1,026,627</u>	<u>1,016,627</u>
Aggregate amounts	<u>5,467,581</u>	<u>4,884,534</u>

14. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.16 £	31.12.15 £
Other loans (see note 15)	46,057,328	33,838,889
Trade creditors	226,653	383,372
Corporation tax	324,069	314,967
Social security and other taxes	9,742	78,350
Final dividends	2,052,001	2,725,440
Other creditors	-	106,282
Amounts owed to associated undertakings	320	320
Amounts owed to subsidiary undertakings	3	3
Accruals and deferred income	3,640,055	3,786,961
	<u>52,310,171</u>	<u>41,234,584</u>

15. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.16 £	31.12.15 £
Amounts falling due within one year or on demand:		
Amounts owed to NFUM	<u>46,057,328</u>	<u>33,838,889</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.16	31.12.15
	£	£
Amounts owed to NFUM	<u>46,057,328</u>	<u>33,838,889</u>

The amounts owed to NFUM are secured by a deed of debenture dated 12th December 2006 on all freehold and leasehold properties owned by the company and included in stocks. The initial loan for the maximum principal amount of £25,000,000 plus interest capitalised has no fixed repayment term and is, therefore, treated as due within one year. Interest is charged at a rate of 3.5% above base rate.

A further revolving credit facility was entered into with NFUM in December 2006 for a maximum principal amount of £25,000,000 plus interest capitalised. Interest is levied on this facility at a rate of 3.5% above base rate, pursuant to additional equity investments by the shareholders whereby the margin reduces to a rate of 2.5% above base rate on a pro rata basis. The final repayment date of this facility is 31st December 2017.

17. FINANCIAL INSTRUMENTS

	31.12.16	31.12.15
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	2,133,647	3,197,270
Financial assets that are debt instruments measured at amortised cost	<u>1,946,150</u>	<u>1,572,598</u>
	<u>4,079,797</u>	<u>4,769,868</u>
 <b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(51,976,361)</u>	<u>(40,841,267)</u>
	<u>(51,976,361)</u>	<u>(40,841,267)</u>

18. CALLED UP SHARE CAPITAL

Allotted, Number:	issued and fully paid Class:	Nominal value:	31.12.16	31.12.15
			£	
240,300	'A' ordinary	1p	2,403	2,403
240,300	'B' ordinary	1p	<u>2,403</u>	<u>2,403</u>
			<u>4,806</u>	<u>4,806</u>

The 'A' shares owned by NFUM have a right to 80%, and the 'B' shares owned by Salmon Developments Limited to 20%, of distributable profit. They rank equally in respect of voting rights. On a winding up of the company the holders of 'A' shares have a right to repayment of capital to rank pari passu with the holders of 'B' shares.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

19. **RESERVES**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1st January 2016	389,600	4,601,212	200,000	5,190,812
Profit for the year	2,052,001			2,052,001
Dividends	(2,052,001)			(2,052,001)
At 31st December 2016	<u>389,600</u>	<u>4,601,212</u>	<u>200,000</u>	<u>5,190,812</u>

20. **OPERATING LEASE COMMITMENTS RECEIVABLE**

The company had the following future minimum lease payments receivable under non-cancellable operating leases for each of the following periods:

	31.12.16 £	31.12.15 £
Within one year	1,006,112	210,142
Between one and five years	3,711,974	309,758
More than five years	<u>6,016,564</u>	<u>60,154</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

21. **RELATED PARTY DISCLOSURES**

	31.12.16 £	31.12.15 £
Companies that have control, joint control or significant influence over the entity:		
Included in work in progress		
Interest capitalised	725,991	735,437
Included in debtors		
Trade debtors	86,100	96,150
Included within creditors		
Amounts owed to NFUM	46,057,328	33,838,889
Final dividends	2,052,001	2,725,440
Accruals and deferred income	1,231,201	1,635,264
Included in turnover	2,568,308	613,979
Included within cost of sales		
Management charges	1,189,548	1,189,548
Project management fees	1,231,201	1,635,264
Interest payable	897,203	846,474
Included in other income		
Asset Management fees	341,987	316,500
Included within administrative expenses		
Management fees	16,773	18,716
Rent	35,000	35,000

Companies over which the entity has control, joint control or significant influence:

Included within debtors		
Amounts owed by associated company	1,026,627	1,016,627
Other debtors	29,611	24,508
Included within creditors		
Amounts owed to associated undertakings	320	320
Amounts owed to group undertakings	3	3
Included within other income		
Interest receivable	62,382	59,899
Asset management fees	29,611	19,333
Included within administrative expenses		
Provision for bad debts	62,382	59,899

Other related parties:

Included within debtors		
Trade debtors	239,910	272,570
Other debtors	3,675,304	3,280,134
Included within other income		
Asset management fees	902,514	895,056
Performance fees	3,675,304	3,280,134
Included within other income		
Distributions receivable	55,543	85,629

During the year D Mapp, a former director, provided consultancy services to the company to the value of £10,000 (2015: £20,000). In addition, during the year the company was charged £10,000 (2015: £19,479) for consultancy services provided by Martin Commercial Properties Limited, a company in which R A Martin was a director until he ceased to hold office 29th January 2016.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

22. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.16	31.12.15
	£	£
Profit before taxation	2,572,017	3,389,578
Finance costs	-	10
Finance income	(63,012)	(60,253)
	<u>2,509,005</u>	<u>3,329,335</u>
(Increase)/decrease in stocks	(11,556,163)	2,773,966
Increase in trade and other debtors	(583,047)	(301,737)
(Decrease)/increase in trade and other creditors	(478,515)	2,200,226
	<u>(10,108,720)</u>	<u>8,001,790</u>

23. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31st December 2016**

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>2,133,647</u>	<u>3,197,270</u>

**Year ended 31st December 2015**

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u>3,197,270</u>	<u>1,535,265</u>

24. **ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The directors regard NFUM, a company registered in England and Wales, as having been the ultimate parent company throughout the current and previous year.

NFUM have a 50% interest in the equity capital of the company and may exercise their control by virtue of a majority on the board of directors.