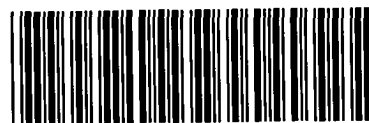


Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31st December 2017
for
Salmon Harvester Properties Limited

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for the Year Ended 31st December 2017

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Salmon Harvester Properties Limited

Company Information
for the Year Ended 31st December 2017

DIRECTORS:

D J Stewart
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 2017

The directors present their strategic report for the year ended 31st December 2017.

REVIEW OF BUSINESS

	2017	2016	2015
Turnover increase/(decrease)	£36m	(£16m)	(£4.2m)
Net profit before tax	£4.5m	£2.6m	£3.4m
Net profit %	11.6%	100.1%	18.1%
Liquidity ratio	1.10:1	1.07:1	1.09:1
Gearing	65%	80%	73%
Ratio of property sales to development services	65%	0%	97%

The company has reported a very strong year in 2017, following property sales at its Ascot, Mere Green and Ashford developments. In addition, the company has continued to provide property development services on sites held by the parent company in Bristol and Windsor. Together these factors have seen turnover rise by £36m to £38.8m year on year.

High finance costs on loans to fund the developments have continued to cause the company to report a gross loss, however other sources of income such as rent, management fees and performance fees on the company's other activities have resulted in a healthy net profit before tax of £4.5m.

Careful management of the company's working capital have helped maintain a steady liquidity ratio.

During the year, the company utilised the cash received from its property sales to repay a significant proportion of the outstanding loans, lowering the gearing by 15%.

In 2018 the company's profits will be driven by completion of existing development projects in progress eg 3 Glass Wharf, Bristol as well as further disposals from its portfolio of development sites and those held by the parent from which it earns revenues from Property Development services.

Strategic Report
for the Year Ended 31st December 2017

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.

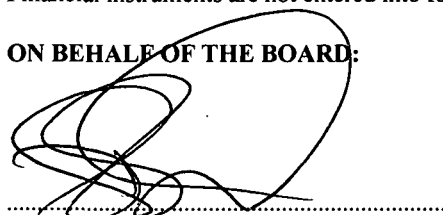
The carrying amount of cash and debtors represent the maximum credit risk to which the company is exposed.

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: 2.5.18

Report of the Directors
for the Year Ended 31st December 2017

The directors present their report with the financial statements of the company for the year ended 31st December 2017.

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 2017 will be £3,612,055.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2017 to the date of this report.

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

Other changes in directors holding office are as follows:

K Arif ceased to be a director after 31st December 2017 but prior to the date of this report.

DIRECTORS' INFORMATION

The directors are very sad to report the death of K Arif on 23rd April 2018.

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

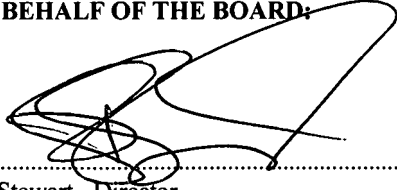
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware 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 2017

AUDITORS

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

ON BEHALF OF THE BOARD:

A large, stylized handwritten signature in black ink, appearing to be 'D J Stewart', written over a dotted line.

D J Stewart - Director

Date: 2.5.18

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

Opinion

We have audited the financial statements of Salmon Harvester Properties Limited (the 'company') for the year ended 31st December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2017 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- 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; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

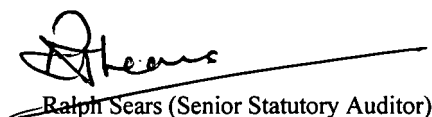
As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to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

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

Our 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 a Report of the Auditors 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.

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



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

Date: 4 May 2018

Statement of Comprehensive Income
for the Year Ended 31st December 2017

	Notes	31.12.17 £	31.12.16 £
TURNOVER	3	38,827,730	2,568,308
Cost of sales		<u>39,149,679</u>	<u>5,013,635</u>
GROSS LOSS		(321,949)	(2,445,327)
Administrative expenses		<u>622,382</u>	<u>581,074</u>
		(944,331)	(3,026,401)
Other operating income	4	<u>5,398,850</u>	<u>5,535,406</u>
OPERATING PROFIT	6	4,454,519	2,509,005
Interest receivable and similar income	7	<u>60,550</u>	<u>63,012</u>
PROFIT BEFORE TAXATION		4,515,069	2,572,017
Tax on profit	8	<u>903,014</u>	<u>520,016</u>
PROFIT FOR THE FINANCIAL YEAR		3,612,055	2,052,001
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,612,055</u>	<u>2,052,001</u>

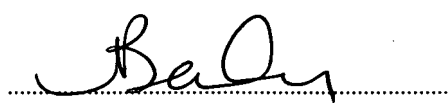
The notes form part of these financial statements

Balance Sheet
31st December 2017

	Notes	31.12.17 £	£	31.12.16 £	£
FIXED ASSETS					
Investments	10		1,500,343		1,500,343
CURRENT ASSETS					
Stocks	11	29,161,600		48,404,218	
Debtors: amounts falling due within one year	12	6,489,050		4,440,954	
Debtors: amounts falling due after more than one year	12	1,026,627		1,026,627	
Cash at bank		2,767,093		2,133,647	
		<u>39,444,370</u>		<u>56,005,446</u>	
CREDITORS					
Amounts falling due within one year	13	35,749,095		52,310,171	
NET CURRENT ASSETS			<u>3,695,275</u>		<u>3,695,275</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,195,618</u>		<u>5,195,618</u>
CAPITAL AND RESERVES					
Called up share capital	17		4,806		4,806
Share premium	18		4,601,212		4,601,212
Capital redemption reserve	18		200,000		200,000
Retained earnings	18		389,600		389,600
SHAREHOLDERS' FUNDS			<u>5,195,618</u>		<u>5,195,618</u>

The financial statements were authorised for issue by the Board of Directors on 2.5.18 and were signed on its behalf by:


D J Stewart - Director


A S L Beasley - Director

Statement of Changes in Equity
for the Year Ended 31st December 2017

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st January 2016	4,806	389,600	4,601,212	200,000	5,195,618
Changes in equity					
Dividends	-	(2,052,001)	-	-	(2,052,001)
Total comprehensive income	-	2,052,001	-	-	2,052,001
Balance at 31st December 2016	<u>4,806</u>	<u>389,600</u>	<u>4,601,212</u>	<u>200,000</u>	<u>5,195,618</u>
Changes in equity					
Dividends	-	(3,612,055)	-	-	(3,612,055)
Total comprehensive income	-	3,612,055	-	-	3,612,055
Balance at 31st December 2017	<u><u>4,806</u></u>	<u><u>389,600</u></u>	<u><u>4,601,212</u></u>	<u><u>200,000</u></u>	<u><u>5,195,618</u></u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31st December 2017

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.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

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.

The directors make estimates on the allocation of costs between the sites, when a site is disposed of.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

2. ACCOUNTING POLICIES - continued

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 break clause or the lease end date in accordance with FRS 102.

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.

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

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change 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.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

2. ACCOUNTING POLICIES - continued

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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

2. **ACCOUNTING POLICIES - continued**

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.

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:

	31.12.17	31.12.16
	£	£
Sale of properties	25,216,022	-
Sale of development services	13,611,708	2,568,308
	<u>38,827,730</u>	<u>2,568,308</u>

4. **OTHER OPERATING INCOME**

	31.12.17	31.12.16
	£	£
Rents receivable	617,459	522,874
Miscellaneous income	26,612	7,573
Distributions receivable	357,390	55,543
Asset management fees	1,244,413	1,274,112
Performance fees	3,152,976	3,675,304
	<u>5,398,850</u>	<u>5,535,406</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

5. EMPLOYEES AND DIRECTORS

	31.12.17	31.12.16
	£	£
Wages and salaries	374,177	331,375
Social security costs	47,948	41,955
Other pension costs	773	740
	<u>422,898</u>	<u>374,070</u>

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

	31.12.17	31.12.16
Directors	5	6
Administration	3	3
	<u>8</u>	<u>9</u>

	31.12.17	31.12.16
	£	£
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.17	31.12.16
	£	£
Auditors' remuneration	26,600	27,725
Total cost of stock recognised as an expense	<u>35,703,464</u>	<u>2,545,028</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.17	31.12.16
	£	£
Interest from associated company	64,531	62,382
Bank interest	601	630
	<u>65,132</u>	<u>63,012</u>

8. TAXATION

Analysis of the tax charge

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

	31.12.17	31.12.16
	£	£
Current tax:		
UK corporation tax	903,014	514,403
Adjustments to previous years	-	5,613
	<u>903,014</u>	<u>520,016</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.17 £	31.12.16 £
Profit before tax	4,515,069	2,572,017
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	869,151	514,403
Effects of:		
Adjustments to tax charge in respect of previous periods	-	5,613
Change in tax rate	33,863	-
Total tax charge	903,014	520,016

9. DIVIDENDS

	31.12.17 £	31.12.16 £
'A' ordinary shares of 1p each		
Final	2,889,644	1,641,601
'B' ordinary shares of 1p each		
Final	722,411	410,400
	3,612,055	2,052,001

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Interest in associated undertaking £	Interest in other participating interests £	Totals £
COST				
At 1st January 2017 and 31st December 2017	3	320	1,500,020	1,500,343
NET BOOK VALUE				
At 31st December 2017	3	320	1,500,020	1,500,343
At 31st December 2016	3	320	1,500,020	1,500,343

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

10. FIXED ASSET INVESTMENTS - continued

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		
		31.12.17	31.12.16
		£	£
Aggregate capital and reserves		1	1
		<hr/>	<hr/>

Ascot Business Park Management Company Limited

Registered office:

Nature of business: Dormant

	%		
Class of shares:	holding		
£1 ordinary	100.00		
		31.12.17	31.12.16
		£	£
Aggregate capital and reserves		1	1
		<hr/>	<hr/>

Ascot Business Park Parking Limited

Registered office:

Nature of business: Letting services

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.12.17	31.12.16
		£	£
Aggregate capital and reserves		343	343
		<hr/>	<hr/>

Associated company

FSH Airport (Edinburgh) Services Limited

Registered office:

Nature of business: Property trading and development

	%		
Class of shares:	holding		
£1 ordinary	50.00		
		30.6.17	30.6.16
		£	£
Aggregate capital and reserves		(4,553,740)	(4,310,837)
Loss for the year		(243,003)	(253,189)
		<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

10. **FIXED ASSET INVESTMENTS - continued**

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.

	% holding
Class of shares:	
£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

	% holding
Class of shares:	
£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.

11. **STOCKS**

	31.12.17	31.12.16
	£	£
Long term contract balances	28,744,659	14,912,322
Less: Amounts transferred to profit and loss account	(27,378,342)	(13,967,590)
Work in progress	1,366,317	944,732
Land and buildings in the course of development	27,795,283	47,459,486
	<u>29,161,600</u>	<u>48,404,218</u>

Land and buildings in the course of development and work in progress includes interest capitalised in the year of £869,989 (2016: £725,991).

12. **DEBTORS**

	31.12.17	31.12.16
	£	£
Amounts falling due within one year:		
Trade debtors	2,772,307	352,572
Other debtors	419,599	218,334
Prepayments and accrued income	3,297,144	3,870,048
	<u>6,489,050</u>	<u>4,440,954</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

12. **DEBTORS - continued**

	31.12.17 £	31.12.16 £
Amounts falling due after more than one year:		
Amounts owed by associates	1,026,627	1,026,627
	<u>1,026,627</u>	<u>1,026,627</u>
Aggregate amounts	7,515,677	5,467,581
	<u>7,515,677</u>	<u>5,467,581</u>

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

	31.12.17 £	31.12.16 £
Other loans (see note 14)	26,756,402	46,057,328
Trade creditors	2,035,319	226,653
Corporation tax	655,370	324,069
Social security and other taxes	54,882	9,742
Final dividends	3,612,055	2,052,001
Other creditors	117	-
Amounts owed to associated undertakings	320	320
Amounts owed to subsidiary undertakings	3	3
Accruals and deferred income	2,634,627	3,640,055
	<u>35,749,095</u>	<u>52,310,171</u>

14. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.17 £	31.12.16 £
Amounts falling due within one year or on demand:		
Amounts owed to NFUM	26,756,402	46,057,328
	<u>26,756,402</u>	<u>46,057,328</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.17 £	31.12.16 £
Amounts owed to NFUM	26,756,402	46,057,328
	<u>26,756,402</u>	<u>46,057,328</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 2018.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

16. **FINANCIAL INSTRUMENTS**

	31.12.17 £	31.12.16 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,767,093	2,133,647
Financial assets that are debt instruments measured at amortised cost	4,218,532	1,475,280
	<u>6,985,625</u>	<u>3,608,927</u>
Financial liabilities		
Financial liabilities measured at amortised cost	35,038,843	51,976,361
	<u>35,038,843</u>	<u>51,976,361</u>

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number:	Class:	Nominal value:	31.12.17 £	31.12.16
240,300	'A' ordinary	1p	2,403	2,403
240,300	'B' ordinary	1p	2,403	2,403
			<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.

18. **RESERVES**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1st January 2017	389,600	4,601,212	200,000	5,190,812
Profit for the year	3,612,055			3,612,055
Dividends	(3,612,055)			(3,612,055)
At 31st December 2017	<u>389,600</u>	<u>4,601,212</u>	<u>200,000</u>	<u>5,190,812</u>

19. **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:

	31.12.17 £	31.12.16 £
Within one year	1,120,582	1,006,112
Between one and five years	4,341,966	3,711,974
More than five years	<u>10,292,708</u>	<u>6,016,564</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

20. **RELATED PARTY DISCLOSURES**

	31.12.17 £	31.12.16 £
Companies that have control, joint control or significant influence over the entity:		
Included in work in progress		
Interest capitalised	869,989	725,991
Included in debtors		
Trade debtors	790,777	86,100
Included within creditors		
Amounts owed to NFUM	26,756,402	46,057,328
Final dividends	3,612,055	2,052,001
Accruals and deferred income	-	1,231,201
Included in turnover	38,827,730	2,568,308
Included within cost of sales		
Management charges	1,189,548	1,189,548
Project management fees	1,225,548	1,231,201
Interest payable	829,085	897,203
Included in other income		
Asset Management fees	351,250	341,987
Included within administrative expenses		
Management fees	17,776	16,773
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	1,026,627
Other debtors	67,061	29,611
Included within creditors		
Amounts owed to associated undertakings	320	320
Amounts owed to group undertakings	3	3
Included within other income		
Interest receivable	64,531	62,382
Asset management fees	37,450	29,611
Included within administrative expenses		
Provision for bad debts	64,531	62,382
Other related parties:		
Included within debtors		
Trade debtors	260,438	239,910
Other debtors	3,152,976	3,675,304
Included within other income		
Asset management fees	853,713	902,514
Performance fees	3,152,976	3,675,304
Included within other income		
Distributions receivable	357,390	55,543

21. **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.