

Registered number 2424275

**SALMON DEVELOPMENTS PLC**  
**FINANCIAL STATEMENTS**  
**31ST DECEMBER 1996**



# **SALMON DEVELOPMENTS PLC**

## **REPORT OF THE DIRECTORS**

The directors submit their report and the audited financial statements of the group for the period ended 31st December 1996.

### **PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS**

The group carries on business as property developers and dealers. The group changed its year end to 31st December. These accounts cover the thirteen months ended 31st December 1996, whilst the comparatives are for the previous twelve months.

The directors are satisfied with the continued expansion of its associated company Salmon Harvester Properties Limited.

### **RESULTS AND DIVIDEND**

The profit for the period and the appropriation thereof are set out on page 4.

The directors do not recommend the payment of a dividend upon the ordinary shares.

### **FIXED ASSETS**

Movements in tangible fixed assets and fixed asset investments are set out in notes 12 and 13 respectively.

### **DIRECTORS**

The directors of the company during the period, and their interest in the company's share capital, are as follows:

	Share Category	31st December	
		1996 No.	1995 No.
C P Oliver	'A' Preference	25,000	25,000
	'A' Ordinary	350	350
D R J Baird	'B' Preference	25,000	25,000
	'B' Ordinary	380	380
D J Stewart	'C' Ordinary	220	220
R F Henderson	'D' Ordinary	50	50
T McNicholas	-	-	-

### **AUDITORS**

Taylors are willing to continue in office, and it is proposed that they be re-appointed.

By order of the board

  
C P OLIVER  
Director

13th February 1997

Registered Office: 51 Queen Anne Street, London W1M 0HS.

# **SALMON DEVELOPMENTS PLC**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **SALMON DEVELOPMENTS PLC**

## **REPORT OF THE AUDITORS**

To the members of Salmon Developments PLC

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


### **BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31<sup>st</sup> December 1996 and of the profit and cash flows of the group for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



TAYLORS  
Chartered Accountants  
Registered Auditors  
51 Queen Anne Street, London W1M 0HS

13th February 1997

# SALMON DEVELOPMENTS PLC

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

		13 months to 31 December 1996 £	12 months to 30 November 1995 £
	Note		
<b>TURNOVER</b>	2	15,855,233	8,397,526
Cost of sales		12,844,411	5,471,712
<b>GROSS PROFIT</b>		3,010,822	2,925,814
Other operating income	3	1,489,831	4,681
		4,500,653	2,930,495
Administrative expenses		(1,703,213)	(926,529)
Share of profit of associate	1	-	271,383
<b>OPERATING PROFIT</b>	4	2,797,440	2,275,349
Interest receivable	6	43,615	70,745
Interest payable	7	969	(27,988)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,842,024	2,318,106
Tax on profit on ordinary activities	8	(727,704)	(576,000)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		2,114,320	1,742,106
Non equity dividends paid and proposed	10	(816,250)	(76,611)
<b>RETAINED PROFIT FOR THE FINANCIAL PERIOD</b>	9,17	1,298,070	1,665,495

All of the activities of the company are classed as continuing.

# SALMON DEVELOPMENTS PLC

## CONSOLIDATED BALANCE SHEET

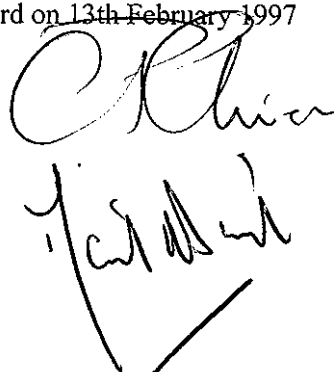
	Note	31 December 1996 £	30 November 1995 £
<b>FIXED ASSETS</b>			
Tangible assets	12	21,562	16,367
Investments	13	2,076,650	1,724,473
		<u>2,098,212</u>	<u>1,740,840</u>
<b>CURRENT ASSETS</b>			
Stock of properties	1	77,278	81,289
Debtors	14	875,222	211,394
Cash at bank		2,128,037	683,542
		<u>3,080,537</u>	<u>976,225</u>
<b>CREDITORS</b>			
Amounts falling due within one period	15	(2,632,296)	(1,468,682)
<b>NET CURRENT ASSETS</b>			
		<u>448,241</u>	<u>(492,457)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>2,546,453</u>	<u>1,248,383</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	13,500	13,500
Consolidation reserve		19,392	19,392
Profit and loss account	17	2,337,312	1,039,242
Revaluation reserve	18	176,249	176,249
<b>SHAREHOLDERS FUNDS</b>			
		<u>2,546,453</u>	<u>1,248,383</u>
Attributable to equity shareholders		2,026,523	18,072
Attributable to non equity shareholders		519,930	1,230,311

Approved by the Board on 13th February 1997

C P OLIVER

D R J BAIRD

Directors



# SALMON DEVELOPMENTS PLC

## BALANCE SHEET

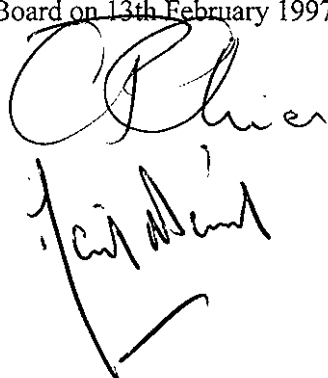
	Note	£	31 December 1996 £	£	30 November 1995 £
<b>FIXED ASSETS</b>					
Tangible assets	12		21,562		16,367
Investments	13		2,429,201		1,851,751
			<u>2,450,763</u>		<u>1,868,118</u>
<b>CURRENT ASSETS</b>					
Stock of properties	1	77,278		81,289	
Debtors	14	1,041,024		185,865	
Cash at bank and in hand		2,126,499		673,971	
		<u>3,244,801</u>		<u>941,125</u>	
<b>CREDITORS</b>					
Amounts falling due within one period	15	(3,168,122)		(1,848,879)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>76,679</u>		<u>(907,754)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,527,442</u>		<u>960,364</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		13,500		13,500
Profit and loss account	17		2,337,693		770,615
Revaluation reserve	18		176,249		176,249
<b>SHAREHOLDERS FUNDS</b>			<u>2,527,442</u>		<u>960,364</u>
Attributable to equity shareholders			2,007,512		(262,195)
Attributable to non equity shareholders			519,930		1,222,559

Approved by the Board on 13th February 1997

C P OLIVER

D R J BAIRD

Directors



# SALMON DEVELOPMENTS PLC

## CONSOLIDATED CASH FLOW STATEMENT

		13 months to 31 December 1996 £	12 months to 30 November 1995 £
	Note	£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	19	3,637,896	1,591,666
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received	6	43,615	70,745
Interest paid		(246,993)	(27,988)
Non equity dividend paid		(913,675)	-
		<u>          </u>	<u>          </u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>		(1,117,053)	42,757
<b>TAXATION</b>		(486,241)	-
<b>INVESTING ACTIVITIES</b>			
Payments to acquire fixed assets		(12,457)	(6,007)
Payment to acquire investment in associate		(501,000)	(999,000)
Loan to associate		(76,650)	-
		<u>          </u>	<u>          </u>
		(590,107)	(1,005,007)
<b>NET CASH INFLOW BEFORE FINANCING</b>		<u>1,444,495</u>	<u>629,416</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	20	<u>1,444,495</u>	<u>629,416</u>

## GROUP STATEMENT OF RECOGNISED GAINS AND LOSSES

	13 months to 31 December 1996 £	12 months to 30 November 1995 £
Profit for the financial period	1,298,070	1,665,495
Revaluation of investment	-	176,249
	<u>1,298,070</u>	<u>1,841,744</u>

# **SALMON DEVELOPMENTS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

for the period ended 31<sup>st</sup> December 1996

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of a fixed asset investment, and comply with all applicable accounting standards.

#### **Basis of consolidation**

The group financial statements comprise a consolidation of the financial statements of the holding company and its subsidiary undertakings (subsidiaries) for the period ended 31<sup>st</sup> December 1996.

Audited financial statements for the group's associate were not available at the date of finalising these financial statements. Whilst the equity accounting basis has not been applied to this associate, the group's share of the results has been recorded in the financial statements of the holding company. In the opinion of the directors, the impact of the exclusion of the associate on the equity accounting basis will not be material to these financial statements.

In accordance with S.230 of the Companies Act 1985 the company has elected not to present its own profit and loss account.

#### **Property stock**

Property stock is valued at the lower of cost and net realisable value. Properties held for re-sale are included in the financial statements on exchange of contracts.

#### **Sales of property**

Income from sales of property is recognised on completion.

#### **Pension Contributions**

Pension contributions are written off to the profit and loss account as incurred.

#### **Depreciation**

This is calculated so as to write off the cost of the relevant tangible fixed assets over their expected useful lives, at the following annual rates:

Office equipment	-	10%
Computer equipment	-	20%

#### **Capital instruments**

Capital instruments are accounted for in accordance with the principles of FRS4 and are classified as equity share capital, non equity share capital or debt as appropriate.

#### **Comparatives**

The comparatives are for the year ended 30<sup>th</sup> November 1995 as the company has changed its year end to 31<sup>st</sup> December.

### **2. TURNOVER**

The turnover and profit before tax is attributable to the one principal activity of the company.

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

	13 months to 31 December 1996	12 months to 30 November 1995
<b>3. OTHER OPERATING INCOME</b>	£	£
Rent	2,295	4,440
Dividends receivable	246,613	-
Other	1,240,923	241
	<u>1,489,831</u>	<u>4,681</u>

## 4. OPERATING PROFIT

This is stated after charging:

Auditors' remuneration	12,000	12,000
Depreciation and other amounts written off tangible fixed assets	7,262	4,990
Operating lease charges:		
Equipment	2,375	1,665
Other	82,241	70,000
	<u></u>	<u></u>

The auditors also received £8,775 in respect of non-audit services during the period.

## 5. DIRECTORS' EMOLUMENTS

Directors' emoluments	901,314	513,564
	<u></u>	<u></u>
Chairman's emoluments	219,937	56,116
Highest paid director	336,500	98,700
	<u></u>	<u></u>

The number of directors whose emoluments, excluding pension contributions, fall within the following bands were:

	No.	No.
£ 55,001 - £ 60,000	-	1
£ 60,001 - £ 65,000	-	1
£ 70,001 - £ 75,000	-	1
£ 75,001 - £ 80,000	-	1
£ 90,001 - £ 95,000	1	-
£ 95,001 - £ 100,000	-	1
£ 215,001 - £ 220,000	1	-
£ 225,001 - £ 230,000	1	-
£ 241,001 - £ 245,000	1	-
£ 335,001 - £ 340,000	1	-
	<u></u>	<u></u>

Of the Chairman's emoluments of £219,937, £219,294 were paid to a company controlled by Mr C P Oliver in respect of his services provided to the group.

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

	13 months to 31 December 1996	12 months to 30 November 1995
<b>6. INTEREST RECEIVABLE</b>	£	£
Bank interest	43,157	69,901
Other interest	458	844
	<u>43,615</u>	<u>70,745</u>
<b>7. INTEREST PAYABLE</b>		
Loans and bank overdraft wholly repayable within five years	837	27,988
Other	(1,806)	-
	<u>(969)</u>	<u>27,988</u>
<b>8. TAXATION</b>		
Based on the profit for the period		
Corporation tax at 33%	818,167	576,000
Overprovision in previous years	(90,463)	-
	<u>727,704</u>	<u>576,000</u>
<b>9. PROFIT FOR THE FINANCIAL PERIOD</b>		
This is dealt with in the accounts of:		
Holding company	1,567,078	1,883,802
Subsidiaries and associate	(269,008)	(218,307)
	<u>1,298,070</u>	<u>1,665,495</u>
<b>10. DIVIDENDS</b>		
Non equity shares		
Cumulative preference dividends paid	816,250	-
Cumulative preference dividends payable	-	76,611
	<u>816,250</u>	<u>76,611</u>

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

	13 months to 31 December 1996	12 months to 30 November 1995	
<b>11. EMPLOYEES</b>	No.	No.	
The average weekly number of employees including the directors, was as follows:	10	8	
Staff costs comprise:	£	£	
Salaries	923,355	362,155	
Social security costs	101,931	35,869	
Pension contributions	-	200,000	
	<u>1,025,286</u>	<u>598,024</u>	
<b>12. TANGIBLE ASSETS</b>			
<b>Group and Company</b>	Office Equipment £	Computer Equipment £	Total £
Cost:			
At beginning of period	11,878	19,008	30,886
Additions	7,785	4,672	12,457
At end of period	<u>19,663</u>	<u>23,680</u>	<u>43,343</u>
Depreciation:			
At beginning of period	2,329	12,190	14,519
Provided this period	2,131	5,131	7,262
	<u>4,460</u>	<u>17,321</u>	<u>21,781</u>
Net book values:			
At 31 <sup>st</sup> December 1996	<u>15,203</u>	<u>6,359</u>	<u>21,562</u>
At 30 <sup>th</sup> November 1995	<u>9,549</u>	<u>6,818</u>	<u>16,367</u>

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

at 31<sup>st</sup> December 1996

### 13. INVESTMENTS

	Shares in associate £	Loan to associate £	Share of profit of associate £	Total £
<b>Group:</b>				
At beginning of period	1,499,000	-	225,473	1,724,473
Additions	501,000	76,650	-	577,650
Adjustment on consolidation	-	-	(225,473)	(225,473)
At end of period	<u>2,000,000</u>	<u>76,650</u>	<u>-</u>	<u>2,076,650</u>

As stated in the accounting policies on page 8, no share of profit in associate is recognised in this period. This amount is included in the accounts of the holding company, together with its share of the profit of the associate, for the current period.

	Shares in subsidiaries £	Shares in associate £	Loans to subsidiary £	Loans to associate £	Total £
<b>Company:</b>					
At beginning of period	251	1,499,000	352,500	-	1,851,751
Additions	-	501,000	-	76,650	577,650
Provision against investments	(200)	-	-	-	(200)
At end of period	<u>51</u>	<u>2,000,000</u>	<u>352,500</u>	<u>76,650</u>	<u>2,429,201</u>

The subsidiaries and associate, all of which are registered in England, are as follows:

Name	Percentage shareholding %	Activity
Chelwood Properties Limited	100	Ceased trading during period
Kimblestone Limited	100	Ceased trading during period
Salcim Limited	100	Property developer
Salmon Harvester Properties Limited	50	Property developer

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December  
1996

30 November  
1995

### 14. DEBTORS

	Group £	Company £	Group £	Company £
Trade debtors	442,863	421,861	138,383	138,383
Amounts due from subsidiary	-	186,867	-	-
Amounts owed from associated company	247,959	247,959	-	-
Other debtors	480	480	39,986	14,457
Other taxes	162,013	161,950	27,359	27,359
Prepayments and accrued income	20,907	20,907	4,666	4,666
Unpaid share capital	1,000	1,000	1,000	1,000
	<u>875,222</u>	<u>1,041,024</u>	<u>211,394</u>	<u>185,865</u>

All debtors are due within one year of the balance sheet date.

### 15. CREDITORS

	Group £	Company £	Group £	Company £
Trade creditors	2,492	2,427	215,369	194,384
Amounts owed to subsidiaries	-	535,889	-	461,768
Social security and other taxes	743,622	743,622	30,722	27,282
Other creditors	6,031	6,031	115,072	115,072
Accruals	900,738	900,740	434,094	376,948
Corporation tax	979,413	979,413	576,000	576,000
Preference dividends payable	-	-	97,425	97,425
	<u>2,632,296</u>	<u>3,168,122</u>	<u>1,468,682</u>	<u>1,848,879</u>

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

	31 December 1996 £	30 November 1995 £
<b>16. SHARE CAPITAL</b>		
Authorised and allotted:		
25,000 'A' Cumulative preference shares of £1 each	25,000	25,000
25,000 'B' Cumulative preference shares of £1 each	25,000	25,000
350 'A' Ordinary shares of £1 each	350	350
380 'B' Ordinary shares of £1 each	380	380
220 'C' Ordinary shares of £1 each	220	220
50 'D' Ordinary shares of £1 each	50	50
	<u>51,000</u>	<u>51,000</u>
Issued:		
25,000 'A' Cumulative preference shares of £1 each, 25p paid	6,250	6,250
25,000 'B' Cumulative preference shares of £1 each, 25p paid	6,250	6,250
350 'A' Ordinary shares of £1 each	350	350
380 'B' Ordinary shares of £1 each	380	380
220 'C' Ordinary shares of £1 each	220	220
50 'D' Ordinary shares of £1 each	50	50
	<u>13,500</u>	<u>13,500</u>

### Non equity shares

The interests of the preference shareholders have been classified as non equity. Their rights include entitlement to receive the profits realised on certain of the group's developments as defined in the articles of association. To the extent that such profits are available for distribution, but remain retained within the company, the preference shareholders are entitled to 8% on such amounts. Except in restricted circumstances, the shares do not carry an entitlement to vote at a general meeting.

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

	31 December 1996	
	Group £	Company £
<b>17. PROFIT AND LOSS ACCOUNT</b>		
At beginning of period	1,039,242	770,615
Profit for the period	1,298,070	1,567,078
At end of period	<u>2,337,312</u>	<u>2,337,693</u>
	<b>31 December 1996</b>	<b>30 November 1995</b>
<b>18. REVALUATION RESERVE</b>		
At start and at end of period	<u>176,249</u>	<u>176,249</u>
<b>19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Operating profit	2,797,440	2,275,349
Share of profit of associate	225,473	(271,383)
Depreciation charges	7,262	4,990
Decrease in stock	4,011	100,780
Decrease in debtors	(501,878)	8,414
Decrease in creditors	1,105,588	(526,484)
	<u>3,637,896</u>	<u>1,591,666</u>
<b>20. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>		
Balance at start of period	683,542	54,126
Net cash inflow	1,444,495	629,416
Balance at end of period	<u>2,128,037</u>	<u>683,542</u>

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

	13 months to 31 December 1996 £	12 months to 30 November 1995 £
<b>21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS</b>		
Profit for the financial period	2,114,320	1,742,106
Dividends	(816,250)	(76,611)
Other recognised gains and losses	-	176,249
	<u>1,298,070</u>	<u>1,841,744</u>
Opening shareholders funds	1,248,383	(593,361)
	<u>2,546,453</u>	<u>1,248,383</u>
Closing shareholders funds		

## 22. FINANCIAL COMMITMENTS

	31 December 1996 £	30 November 1995 £
i) Operating leases		
The group has annual commitments expiring as follows:		
Land and buildings:		
Within one period	<u>85,000</u>	<u>70,000</u>
Other:		
In two to five years	<u>1,665</u>	<u>1,665</u>

## 23. DEFERRED TAX

### Company

The total potential liability, none of which has been provided in these financial statements, is as follows:

	31 December 1996 £	30 November 1995 £
Revaluation of investment	<u>52,875</u>	<u>52,875</u>