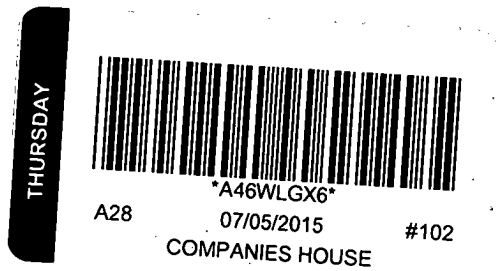


Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31st December 2014
for
Salmon Developments Limited



Salmon Developments Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31st December 2014

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Salmon Developments Limited

Company Information
for the Year Ended 31st December 2014

DIRECTORS:

D Mapp – Non executive chairman
D J Stewart – Executive chairman
R G F Henderson
D F Sheehan
P E Mahoney

SECRETARY:

D F Sheehan

REGISTERED OFFICE:

46 Mount Street
London
W1K 2HH

REGISTERED NUMBER:

02424275 (England and Wales)

AUDITORS:

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

Salmon Developments Limited
Group Strategic Report
for the Year Ended 31st December 2014

The directors present their strategic report of the company and the group for the year ended 31st December 2014.

REVIEW OF BUSINESS

Despite current market conditions the directors are satisfied that the company remains in a financially strong and stable position as evidenced by the year end balance sheet.

Throughout the year Salmon Developments Limited as a company was profitable and reported a profit before tax and dividends of £474,568, whilst the consolidated results for the group showed an overall profit before tax and dividends of £998,782.

The results for the year and financial position of the group are as shown in the annexed financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risk

The directors consider that the company's principal business risks are:

- Failing to win new contracts which will generate sufficient profits - this is not considered to be a major concern as the company has always had a good record of success from its tendering process.
- Market conditions impacting on project profitability - as far as possible the company implements strategies to mitigate market risks from project profitability.

The company also faces the normal risks which exist for property development companies, such as site health and safety. These risks are not judged to be of a material nature as the company has good health and safety procedures and is adequately insured.

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.

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 and group 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 various 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 F Sheehan - Director

Date: 29th April 2015

Salmon Developments Limited

Report of the Directors
for the Year Ended 31st December 2014

The directors present their report with the financial statements of the company and the group for the year ended 31st December 2014.

DIVIDENDS

The directors do not recommend the payment of a final dividend on the ordinary shares. A fixed cumulative preferential dividend totalling £120,000 is proposed to be paid to the holders of participating preferred ordinary shares.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2014 to the date of this report.

D Mapp
D J Stewart
R G F Henderson
D F Sheehan

Other changes in directors holding office are as follows:

P E Mahoney – appointed 13th February 2015
S K Kuntze - resigned 19th February 2014
P Skottowe - resigned 3rd July 2014

CHANGE OF STATUS

On 18th February 2014 the parent company re-registered under the Companies Act 2006 as a private limited company. Prior to this date the parent company was called Salmon Developments PLC.

REPURCHASE OF OWN SHARES

On 19th February the company repurchased 3,750 of its own shares for £114,570, including stamp duty from, S K Kuntz.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 company will continue in business.

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

Salmon Developments Limited

Report of the Directors
for the Year Ended 31st December 2014

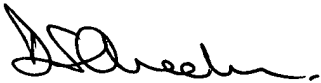
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
D F Sheehan - Director

Date: 29th April 2015

Report of the Independent Auditors to the Members of
Salmon Developments Limited

We have audited the financial statements of Salmon Developments Limited for the year ended 31st December 2014 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).

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 group's and the parent 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 Group 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 group's and of the parent company's affairs as at 31st December 2014 and of the group's 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

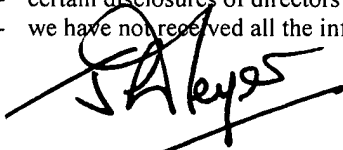
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Salmon Developments Limited

Matters on which we are required to report by exception

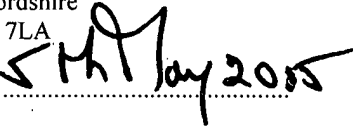
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements 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.



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

Date:



Salmon Developments Limited

Consolidated Profit and Loss Account
for the Year Ended 31st December 2014

	Notes	31.12.14 £	31.12.13 £
TURNOVER			
Group and share of associate		11,476,245	5,687,382
Less:			
Share of associate's turnover		(11,476,245)	(5,687,382)
GROUP TURNOVER		-	-
Administrative expenses		<u>1,795,312</u>	<u>1,344,197</u>
		(1,795,312)	(1,344,197)
Other operating income		<u>1,750,141</u>	<u>1,457,309</u>
GROUP OPERATING (LOSS)/PROFIT	3	(45,171)	113,112
Share of operating profit in Associate		982,210	196,007
Interest receivable and similar income			
Group		57,485	63,365
Associate		<u>29,249</u>	<u>29,952</u>
		<u>86,734</u>	<u>93,317</u>
		<u>1,023,773</u>	<u>402,436</u>
		1,023,773	402,436
Interest payable and similar charges			
Group	4	(24,991)	(23,959)
Associate		<u>-</u>	<u>(6)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		998,782	378,471
Tax on profit on ordinary activities	5	<u>295,368</u>	<u>118,338</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u><u>703,414</u></u>	<u><u>260,133</u></u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

Salmon Developments Limited (Registered number: 02424275)

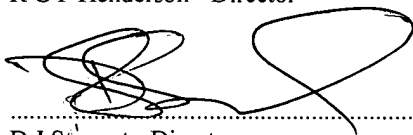
Consolidated Balance Sheet
31st December 2014

	Notes	31.12.14 £	31.12.13 £
FIXED ASSETS			
Tangible assets	8	17,334	22,429
Investments	9		
Interest in joint venture			
Share of gross assets		<u>514</u>	<u>514</u>
		514	514
Interest in associate		<u>2,813,889</u>	<u>2,646,466</u>
		2,831,737	2,669,409
CURRENT ASSETS			
Stocks	10	432,417	158,671
Debtors	11	916,271	358,003
Cash at bank		<u>4,472,446</u>	<u>5,492,814</u>
		5,821,134	6,009,488
CREDITORS			
Amounts falling due within one year	12	<u>1,201,837</u>	<u>1,696,707</u>
NET CURRENT ASSETS		<u>4,619,297</u>	<u>4,312,781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,451,034</u>	<u>6,982,190</u>
CAPITAL AND RESERVES			
Called up share capital	14	11,833	15,583
Revaluation reserve	15	176,249	176,249
Capital redemption reserve	15	41,980	38,230
Profit and loss account	15	<u>7,220,972</u>	<u>6,752,128</u>
SHAREHOLDERS' FUNDS	19	<u>7,451,034</u>	<u>6,982,190</u>

The financial statements were approved by the Board of Directors on 29th April 2015 and were signed on its behalf by:



.....
R G F Henderson - Director



.....
D J Stewart - Director

The notes form part of these financial statements

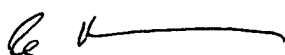
Salmon Developments Limited (Registered number: 02424275)

Company Balance Sheet
31st December 2014

	Notes	31.12.14 £	£	31.12.13 £	£
FIXED ASSETS					
Tangible assets	8		17,334		22,429
Investments	9		<u>2,353,052</u>		<u>2,353,052</u>
			2,370,386		2,375,481
CURRENT ASSETS					
Debtors	11	1,094,895		406,347	
Cash at bank		<u>4,432,904</u>		<u>5,354,959</u>	
		5,527,799		5,761,306	
CREDITORS					
Amounts falling due within one year	12	<u>1,454,917</u>		<u>1,833,030</u>	
NET CURRENT ASSETS			<u>4,072,882</u>		<u>3,928,276</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,443,268</u>		<u>6,303,757</u>
CAPITAL AND RESERVES					
Called up share capital	14		11,833		15,583
Revaluation reserve	15		176,249		176,249
Capital redemption reserve	15		41,980		38,230
Profit and loss account	15		<u>6,213,206</u>		<u>6,073,695</u>
SHAREHOLDERS' FUNDS	19		<u>6,443,268</u>		<u>6,303,757</u>

The financial statements were approved by the Board of Directors on its behalf by:

29th April 2015 and were signed on



.....
R G F Henderson - Director



.....
D J Stewart - Director

The notes form part of these financial statements

Salmon Developments Limited

Consolidated Cash Flow Statement
for the Year Ended 31st December 2014

	Notes	31.12.14 £	31.12.13 £
Net cash (outflow)/inflow from operating activities	1	(485,453)	151,704
Income received from associates		193,936	51,322
Returns on investments and servicing of finance	2	64,858	72,334
Taxation		(79,320)	(136,211)
Capital expenditure	2	(1,134)	(1,460)
Equity dividends paid		<u>(598,685)</u>	<u>-</u>
		(905,798)	137,689
Financing	2	<u>(114,570)</u>	<u>2,813</u>
(Decrease)/increase in cash in the period		<u>(1,020,368)</u>	<u>140,502</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		<u>(1,020,368)</u>	<u>140,502</u>
Change in net funds resulting from cash flows		<u>(1,020,368)</u>	<u>140,502</u>
Movement in net funds in the period		(1,020,368)	140,502
Net funds at 1st January		<u>5,492,814</u>	<u>5,352,312</u>
Net funds at 31st December		<u>4,472,446</u>	<u>5,492,814</u>

The notes form part of these financial statements

Salmon Developments Limited

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31st December 2014

1. **RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	31.12.14	31.12.13
	£	£
Operating (loss)/profit	(45,171)	113,112
Depreciation charges	6,229	8,180
Increase in stocks	(273,746)	(158,671)
(Increase)/decrease in debtors	(63,375)	22,983
(Decrease)/increase in creditors	(109,390)	166,100
Net cash (outflow)/inflow from operating activities	<u>(485,453)</u>	<u>151,704</u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.12.14	31.12.13
	£	£
Returns on investments and servicing of finance		
Interest received	<u>64,858</u>	<u>72,334</u>
Net cash inflow for returns on investments and servicing of finance	<u>64,858</u>	<u>72,334</u>
 Capital expenditure		
Purchase of tangible fixed assets	(1,134)	(1,460)
Net cash outflow for capital expenditure	<u>(1,134)</u>	<u>(1,460)</u>
 Financing		
Repurchase of own shares	(114,570)	-
Share capital paid up	<u>-</u>	<u>2,813</u>
Net cash (outflow)/inflow from financing	<u>(114,570)</u>	<u>2,813</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.14	Cash flow	At
	£	£	31.12.14
			£
Net cash:			
Cash at bank	<u>5,492,814</u>	<u>(1,020,368)</u>	<u>4,472,446</u>
	<u>5,492,814</u>	<u>(1,020,368)</u>	<u>4,472,446</u>
 Total	<u>5,492,814</u>	<u>(1,020,368)</u>	<u>4,472,446</u>

The notes form part of these financial statements

Salmon Developments Limited

Notes to the Consolidated Financial Statements
for the Year Ended 31st December 2014

1. **ACCOUNTING POLICIES**

Accounting convention

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

Basis of consolidation

The group financial statements comprise a consolidation of the financial statements of the parent company and its subsidiary undertakings for the year ended 31st December 2014.

Associated undertakings and joint ventures are included in the group financial statements on the equity accounting basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 25% on reducing balance
Computer equipment	- 33% on reducing balance
Improvements to property	- 12.5% on reducing balance

Stocks

Stock is stated at the lower of cost and net realisable value. Cost for this purpose comprises the cost to the group of acquiring the land, construction and other development costs.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date except those relating to revalued assets.

Pension costs and other post-retirement benefits

Contributions payable to the directors' personal pension schemes are charged to the profit and loss account in the period to which they relate.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account evenly over the period of the lease.

Cash and liquid resources

For the purposes of the cash flow statement, cash and liquid resources are defined as cash at bank and in hand and bank overdraft balances.

Investments

Investments are included in the company balance sheet at cost less provisions required for diminution in value.

2. **STAFF COSTS**

	31.12.14	31.12.13
	£	£
Wages and salaries	755,489	809,313
Social security costs	91,337	101,695
Other pension costs	380,000	-
	<u>1,226,826</u>	<u>911,008</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

2. **STAFF COSTS - continued**

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

	31.12.14	31.12.13
Directors	5	6
Administration	<u>5</u>	<u>5</u>
	<u>10</u>	<u>11</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.14	31.12.13
	£	£
Depreciation - owned assets	6,229	8,180
Auditors' remuneration	18,950	18,500
Hire of equipment	9,135	8,762
Other operating lease costs	<u>144,761</u>	<u>120,829</u>
Directors' remuneration	497,429	579,859
Directors' pension contributions to money purchase schemes	<u>380,000</u>	<u>-</u>

Information regarding the highest paid director is as follows:

	31.12.14	31.12.13
	£	£
Emoluments etc	145,232	162,500
Pension contributions to money purchase schemes	<u>190,000</u>	<u>-</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.14	31.12.13
	£	£
Interest on late payment of dividend	<u>24,991</u>	<u>23,959</u>

5. **TAXATION**

Analysis of the tax charge

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

	31.12.14	31.12.13
	£	£
Current tax:		
UK corporation tax	295,368	111,166
Adjustments to previous year	<u>-</u>	<u>7,172</u>
Tax on profit on ordinary activities	<u>295,368</u>	<u>118,338</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

5. **TAXATION - continued**

Factors affecting the tax charge

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

	31.12.14 £	31.12.13 £
Profit on ordinary activities before tax	<u>998,782</u>	<u>378,471</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.349% (2013 - 22.272%)	213,230	84,293
Effects of:		
Expenses not deductible for tax purposes	13,077	13,930
Income not taxable for tax purposes	(10,351)	(11,430)
Depreciation in excess of capital allowances	587	859
Adjustments to tax charge in respect of previous periods	-	3,399
Adjustment in respect of associated undertaking	79,494	27,627
Differences in group tax rates	<u>(669)</u>	<u>(340)</u>
Current tax charge	<u>295,368</u>	<u>118,338</u>

6. **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £374,081 (2013 - £198,297).

7. **DIVIDENDS**

	31.12.14 £	31.12.13 £
Participating preference shares of £1 each		
Final dividend	<u>120,000</u>	<u>120,000</u>

Dividends payable in note 12 also include arrears of £120,000 from 2013, 2012, 2011 and 2010.

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

8. **TANGIBLE FIXED ASSETS**

Group

	Improvements to property £	Office equipment £	Computer equipment £	Totals £
COST				
At 1st January 2014	8,123	67,667	83,306	159,096
Additions	-	-	1,134	1,134
At 31st December 2014	<u>8,123</u>	<u>67,667</u>	<u>84,440</u>	<u>160,230</u>
DEPRECIATION				
At 1st January 2014	4,592	57,056	75,019	136,667
Charge for year	<u>440</u>	<u>2,653</u>	<u>3,136</u>	<u>6,229</u>
At 31st December 2014	<u>5,032</u>	<u>59,709</u>	<u>78,155</u>	<u>142,896</u>
NET BOOK VALUE				
At 31st December 2014	<u>3,091</u>	<u>7,958</u>	<u>6,285</u>	<u>17,334</u>
At 31st December 2013	<u>3,531</u>	<u>10,611</u>	<u>8,287</u>	<u>22,429</u>

Company

	Improvements to property £	Office equipment £	Computer equipment £	Totals £
COST				
At 1st January 2014	8,123	67,667	83,306	159,096
Additions	-	-	1,134	1,134
At 31st December 2014	<u>8,123</u>	<u>67,667</u>	<u>84,440</u>	<u>160,230</u>
DEPRECIATION				
At 1st January 2014	4,592	57,056	75,019	136,667
Charge for year	<u>440</u>	<u>2,653</u>	<u>3,136</u>	<u>6,229</u>
At 31st December 2014	<u>5,032</u>	<u>59,709</u>	<u>78,155</u>	<u>142,896</u>
NET BOOK VALUE				
At 31st December 2014	<u>3,091</u>	<u>7,958</u>	<u>6,285</u>	<u>17,334</u>
At 31st December 2013	<u>3,531</u>	<u>10,611</u>	<u>8,287</u>	<u>22,429</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

9. **FIXED ASSET INVESTMENTS**

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
	£	£	£	£
Shares in group undertakings	-	-	52	52
Loans to group undertakings	-	-	352,500	352,500
Participating interests	<u>2,814,403</u>	<u>2,646,980</u>	<u>2,000,500</u>	<u>2,000,500</u>
	<u><u>2,814,403</u></u>	<u><u>2,646,980</u></u>	<u><u>2,353,052</u></u>	<u><u>2,353,052</u></u>

Additional information is as follows:

Group	Interest in joint venture £	Interest in associate £	Totals £
COST			
At 1st January 2014	514	2,646,466	2,646,980
Share of profit/(loss)	<u>-</u>	<u>167,423</u>	<u>167,423</u>
At 31st December 2014	<u>514</u>	<u>2,813,889</u>	<u>2,814,403</u>
NET BOOK VALUE			
At 31st December 2014	<u>514</u>	<u>2,813,889</u>	<u>2,814,403</u>
At 31st December 2013	<u>514</u>	<u>2,646,466</u>	<u>2,646,980</u>

Interest in associate

The group's aggregate share of the associate at the year end is as follows:

	31.12.14	31.12.13
	£	£
Profit before tax	687,599	153,013
Taxation	(147,834)	(31,803)
Profit after tax	<u>539,765</u>	<u>121,210</u>
 Share of assets		
Fixed assets	750,172	750,172
Current assets	22,876,541	23,181,105
 Share of liabilities		
Share of liabilities due within one year	(19,559,287)	(18,422,693)
Share of liabilities due after one year or more	(1,469,617)	(2,910,775)
 Share of net assets	<u><u>2,597,809</u></u>	<u><u>2,597,809</u></u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

9. **FIXED ASSET INVESTMENTS - continued**

Company	Shares in group undertakings £	Interest in joint venture £	Interest in associate £	Totals £
COST				
At 1st January 2014 and 31st December 2014	<u>52</u>	<u>500</u>	<u>2,000,000</u>	<u>2,000,552</u>
NET BOOK VALUE				
At 31st December 2014	<u>52</u>	<u>500</u>	<u>2,000,000</u>	<u>2,000,552</u>
At 31st December 2013	<u>52</u>	<u>500</u>	<u>2,000,000</u>	<u>2,000,552</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Salmon Properties Ltd

Nature of business: Property development

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.12.14	31.12.13
		£	£
Aggregate capital and reserves		230,559	64,503
Profit for the year		<u>166,059</u>	<u>64,502</u>

Salcim Limited

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.12.14	31.12.13
		£	£
Aggregate capital and reserves		<u>(32,498)</u>	<u>(32,498)</u>

Joint venture

Salmon Aker Limited

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary "A"	50.00		
		31.12.14	31.12.13
		£	£
Aggregate capital and reserves		<u>1,027</u>	<u>1,027</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

9. **FIXED ASSET INVESTMENTS - continued**

Associated company

Salmon Harvester Properties Limited

Nature of business: Property development

	%		
Class of shares:	holding		
'B' Ordinary	50.00	31.12.14	31.12.13
		£	£
Aggregate capital and reserves		5,195,618	5,195,618
Profit for the year		<u>1,079,530</u>	<u>242,420</u>

'B' Ordinary shares entitle the company to 50% of the associated undertaking's voting rights and 20% of the distributable profits.

Company

	Loans to group undertakings £
At 1st January 2014 and 31st December 2014	<u>352,500</u>

10. **STOCKS**

	Group	
	31.12.14	31.12.13
	£	£
Work-in-progress	<u>432,417</u>	<u>158,671</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
	£	£	£	£
Trade debtors	32,467	16,320	28,900	13,500
Amounts owed by group undertakings	-	-	365,719	220,139
Amounts owed by associates	647,718	149,099	647,718	149,099
Other debtors	144,165	136,797	3,616	3,617
Prepayments and accrued income	<u>91,921</u>	<u>55,787</u>	<u>48,942</u>	<u>19,992</u>
	<u>916,271</u>	<u>358,003</u>	<u>1,094,895</u>	<u>406,347</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

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

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
	£	£	£	£
Trade creditors	28,045	33,040	18,670	33,040
Amounts owed to group undertakings	-	-	320,002	320,002
Amounts owed to joint ventures	1,028	1,028	1,028	1,028
Corporation tax	147,535	79,321	104,063	63,196
Social security and other taxes	80,280	58,122	80,280	29,418
Dividends payable	600,000	1,078,685	600,000	1,078,685
Other creditors	10,500	10,500	-	-
Accruals and deferred income	334,449	436,011	330,874	307,661
	<u>1,201,837</u>	<u>1,696,707</u>	<u>1,454,917</u>	<u>1,833,030</u>

13. **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

Group		Land and buildings		Other operating leases	
		31.12.14	31.12.13	31.12.14	31.12.13
		£	£	£	£
Expiring:					
Within one year		71,000	142,000	1,641	1,328
Between one and five years		-	-	2,051	-
		<u>71,000</u>	<u>142,000</u>	<u>3,692</u>	<u>1,328</u>

Company		Land and buildings		Other operating leases	
		31.12.14	31.12.13	31.12.14	31.12.13
		£	£	£	£
Expiring:					
Within one year		71,000	142,000	1,641	1,328
Between one and five years		-	-	2,051	-
		<u>71,000</u>	<u>142,000</u>	<u>3,692</u>	<u>1,328</u>

14. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:					
Number:	Class:	Nominal value:	31.12.14	31.12.13	
			£	£	
270	Participating preference shares	£1	<u>270</u>	<u>270</u>	

Allotted and issued:					
Number:	Class:	Nominal value:	31.12.14	31.12.13	
			£	£	
50,000	Ordinary shares	£1	<u>11,563</u>	<u>15,313</u>	

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

14. CALLED UP SHARE CAPITAL - continued

The rights of the participating preferred shareholders include the entitlement to receive a dividend of £120,000 in respect of each financial year to be distributed amongst the shareholders. The dividend is payable in priority to any payment of a dividend to the holders of all other shares in the capital of the company and is subject to the approval of the directors.

On a return of capital on a winding up or otherwise the assets of the company available for distribution to its members shall be applied in making payments to the holders of participating preferred shares, in priority to any payment to the holders of all other shares in the capital of the company, of firstly, a sum equal to all arrears of the preferred dividend and secondly, the sum of £2,000,000. The participating preferred shares do not carry an entitlement to vote at a general meeting.

The interests of the participating preferred shareholders have been classified as non equity.

15. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st January 2014	6,752,128	176,249	38,230	6,966,607
Profit for the year	703,414			703,414
Dividends	(120,000)			(120,000)
Purchase of own shares	(114,570)	-	3,750	(110,820)
At 31st December 2014	<u>7,220,972</u>	<u>176,249</u>	<u>41,980</u>	<u>7,439,201</u>

Company

	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1st January 2014	6,073,695	176,249	38,230	6,288,174
Profit for the year	374,081			374,081
Dividends	(120,000)			(120,000)
Purchase of own shares	(114,570)	-	3,750	(110,820)
At 31st December 2014	<u>6,213,206</u>	<u>176,249</u>	<u>41,980</u>	<u>6,431,435</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

16. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The dividend in the year of £120,000 is payable to the holders of the participating preferred shares who are R F Henderson and D J Stewart, both directors of the company. £22,222 is payable to R F Henderson and £97,778 is payable to D J Stewart.

At the year end, dividends payable included outstanding dividends of £488,890 (2013: £878,929) owed to D J Stewart and £111,110 (2013: £199,756) owed to R F Henderson. Interest included in accruals on the dividends outstanding amounts to £169,261 (2013: £148,898) owed to D J Stewart and £38,468 (2013: £33,840) owed to R F Henderson.

During the year D Mapp, a director, provided consultancy services to the company to the value of £21,450 (2013: £21,028).

17. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related-Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

	31.12.14 £	31.12.13 £
Salmon Harvester Properties Limited, an associated company		
Included in the profit and loss account		
Contribution to management costs	1,189,548	1,189,548
Dividend receivable	48,484	51,322
Salary contributions receivable	40,067	50,575
Rental income	35,000	27,500
Included within debtors		
Amounts owed from associated undertaking	647,718	149,099
Salmon Aker Limited, a joint venture		
Included in the profit and loss account		
Amounts owed to joint ventures	1,028	1,028

18. ULTIMATE CONTROLLING PARTY

No single party had ultimate control throughout the current or previous year.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	31.12.14 £	31.12.13 £
Profit for the financial year	703,414	260,133
Dividends	(120,000)	(120,000)
	583,414	140,133
Share capital paid up	-	2,813
Repurchase of own shares	(114,570)	-
Net addition to shareholders' funds	468,844	142,946
Opening shareholders' funds	6,982,190	6,839,244
Closing shareholders' funds	7,451,034	6,982,190

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2014

19. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued**

Company

	31.12.14	31.12.13
	£	£
Profit for the financial year	374,081	198,297
Dividends	<u>(120,000)</u>	<u>(120,000)</u>
	254,081	78,297
Share capital paid up	-	2,813
Repurchase of own shares	<u>(114,570)</u>	<u>-</u>
Net addition to shareholders' funds	139,511	81,110
Opening shareholders' funds	<u>6,303,757</u>	<u>6,222,647</u>
Closing shareholders' funds	<u>6,443,268</u>	<u>6,303,757</u>

20. **DEFERRED TAX**

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

Company

	31.12.14	31.12.13
	£	£
Revaluation of investment	<u>35,250</u>	<u>40,537</u>

Salmon Developments Limited
Company Profit and Loss Account
for the Year Ended 31st December 2014

	31.12.14		31.12.13	
	£	£	£	£
Turnover				
Management fee	647,718		145,452	
Overhead recovery	<u>1,189,548</u>		<u>1,189,548</u>	
		1,837,266		1,335,000
Other income				
Rents received	160,921		89,500	
Sundry receipts	-		22	
Interest in associate undertakings	48,484		51,322	
Deposit account interest	<u>57,485</u>		<u>63,365</u>	
		<u>266,890</u>		<u>204,209</u>
		2,104,156		1,539,209
Expenditure				
Directors' salaries	497,429		579,859	
Directors' pension contributions	380,000		-	
Salaries & wages	258,060		229,454	
Social security	91,337		101,695	
Salary contribution from SHPOF	(40,067)		(50,575)	
Rent, service charges and utilities	210,993		170,519	
Insurance	6,579		12,028	
Cleaning and repairs	7,678		9,977	
Printing, stationery, postage and couriers	4,035		6,974	
Photocopier, printer and computer costs	25,104		24,561	
Telephone	12,208		12,767	
Travelling, subsistence and entertaining	40,258		39,603	
Sundry expenses	20,058		14,990	
Legal and professional fees	64,543		63,140	
Recruitment	-		5,250	
Auditors' remuneration	<u>15,375</u>		<u>15,000</u>	
		<u>1,593,590</u>		<u>1,235,242</u>
		510,566		303,967
Finance costs				
Bank charges	1,203		3,163	
Interest on late payment of dividend	<u>24,991</u>		<u>23,959</u>	
		<u>26,194</u>		<u>27,122</u>
		484,372		276,845
Depreciation				
Improvements to property	440		504	
Office equipment	2,653		3,538	
Computer equipment	<u>3,136</u>		<u>4,138</u>	
		<u>6,229</u>		<u>8,180</u>
NET PROFIT		<u><u>478,143</u></u>		<u><u>268,665</u></u>

This page does not form part of the statutory financial statements