

Registered number 2424275

*Register*

**SALMON DEVELOPMENTS PLC**

**30th November 1995**



# **SALMON DEVELOPMENTS PLC**

## **REPORT OF THE DIRECTORS**

The directors submit their report and the audited financial statements of the group for the year ended 30th November 1995.

### **Principal Activity and Future Developments**

The group carries on business as property developers and dealers.

### **Results and Dividend**

The profit for the year 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 year, and their interest in the company's share capital, are as follows:

	Share Category	30th November	
		1995 No.	1994 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

9th May 1996

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 year 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 17 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 30th November 1995 and of the profit and cash flows of the group for the year 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

9th May 1996

# **SALMON DEVELOPMENTS PLC**

## **CONSOLIDATED PROFIT AND LOSS ACCOUNT**

for the year ended 30th November

	Note	1995 £	1994 £
Turnover	2	8,397,526	5,564,619
Cost of sales		<u>5,471,712</u>	<u>4,846,322</u>
Gross profit		2,925,814	718,297
Other operating income	3	<u>4,681</u>	<u>14,064</u>
		2,930,495	732,361
Administrative expenses		(926,529)	(409,963)
Share of profit of associates		<u>271,383</u>	<u>(58,910)</u>
Operating profit	4	2,275,349	263,488
Interest receivable	6	70,745	21,785
Interest payable	7	<u>(27,988)</u>	<u>(299,140)</u>
Profit on ordinary activities before taxation		2,318,106	(13,867)
Tax on profit on ordinary activities	8	<u>(576,000)</u>	<u>-</u>
Profit for the financial year		1,742,106	(13,867)
Non equity dividends payable	10	<u>(76,611)</u>	<u>(20,814)</u>
Retained profit for the financial year	9,17	<u><u>1,665,495</u></u>	<u><u>(34,681)</u></u>

# SALMON DEVELOPMENTS PLC

## CONSOLIDATED BALANCE SHEET

at 30th November

	Note	£	1995 £	£	1994 £
<b>Fixed assets</b>					
Tangible assets	12		16,367		15,350
Investments	13		1,724,473		454,090
			<hr/>		<hr/>
			1,740,840		469,440
<b>Current assets</b>					
Stock of properties	1	81,289		182,069	
Debtors	14	211,394		219,808	
Cash at bank		683,542		54,126	
		<hr/>		<hr/>	
		976,225		456,003	
<b>Creditors</b>					
Amounts falling due within one year	15	(1,468,682)		(1,518,804)	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(492,457)		(1,062,801)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			1,248,383		(593,361)
			<hr/>		<hr/>
<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		1,039,242		(626,253)
Revaluation reserve	18		176,249		-
			<hr/>		<hr/>
<b>Shareholders funds</b>			1,248,383		(593,361)
			<hr/>		<hr/>
Attributable to equity shareholders			18,072		(72,187)
Attributable to non equity shareholders			1,230,311		(521,174)

Approved by the Board on 9th May 1996

C P OLIVER

D R J BAIRD  
Directors

# SALMON DEVELOPMENTS PLC

## BALANCE SHEET

at 30th November

	Note	£	1995 £	1994 £
<b>Fixed Assets</b>				
Tangible assets	12		16,367	15,350
Investments	13		1,851,751	676,502
			<hr/>	<hr/>
			1,868,118	691,852
<b>Current Assets</b>				
Stock of properties	1	81,289	182,069	
Debtors	14	185,865	941,257	
Cash at bank and in hand		673,971	12,992	
		<hr/>	<hr/>	
		941,125	1,136,318	
<b>Creditors</b>				
Amounts falling due within one year	15	(1,848,879)	(2,927,857)	
		<hr/>	<hr/>	
<b>Net current liabilities</b>			(907,754)	(1,791,539)
			<hr/>	<hr/>
<b>Total assets less current liabilities</b>			960,364	(1,099,687)
			<hr/> <hr/>	<hr/> <hr/>
<b>Capital and Reserves</b>				
Called up share capital	16		13,500	13,500
Profit and loss account	17		770,615	(1,113,187)
Revaluation reserve	18		176,249	-
			<hr/>	<hr/>
			960,364	(1,099,687)
			<hr/> <hr/>	<hr/> <hr/>
Attributable to equity shareholders			(589,034)	(356,434)
Attributable to non equity shareholders			1,549,398	(743,253)

Approved by the Board on 9th May 1996

C P OLIVER

D R J BAIRD  
Directors

# SALMON DEVELOPMENTS PLC

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30th November

		1995	1994
	Note	£	£
<b>Net cash inflow from operating activities</b>	19	1,591,666	952,234
<b>Returns on investment and servicing of finance</b>			
Interest received	6	70,745	21,785
Interest paid	7	(27,988)	(299,140)
<b>Net cash outflow from returns on investment and servicing of finance</b>		42,757	(277,355)
<b>Investing activities</b>			
Payments to acquire fixed assets		(6,007)	(17,537)
Payment to acquire investment in associate		(999,000)	(500,000)
Purchase of subsidiary (net of cash acquired)		-	40,022
		(1,005,007)	(477,515)
<b>Net cash inflow before financing</b>		629,416	(197,364)
<b>Net cash inflow from financing</b>			
<b>Increase in cash and cash equivalents</b>	20	629,416	197,364

## GROUP STATEMENT OF RECOGNISED GAINS AND LOSSES

for the year ended 30th November

	1995	1994
	£	£
Profit for the financial year	1,665,495	(34,681)
Revaluation of investment	176,249	-
	1,841,744	(34,681)



# **SALMON DEVELOPMENTS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30th November 1995

### **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 year ended 30th November 1995.

An associated undertaking (associate) is included in the group financial statements on the equity accounting basis.

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.

### **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

for the year ended 30th November 1995

	1995 £	1994 £
<b>3. Other operating income</b>		
Rent	4,440	12,239
Other	241	1,825
	<u>4,681</u>	<u>14,064</u>

## 4. Operating profit

This is stated after charging:

Auditors' remuneration	12,000	12,500
Depreciation and other amounts written off tangible fixed assets	4,990	4,035
Operating lease charges:		
Equipment	1,665	4,409
Other	70,000	45,333
	<u>88,655</u>	<u>66,277</u>

The auditors also received £10,600 in respect of non-audit services during the year.

## 5. Directors' emoluments

Directors' emoluments	513,564	213,980
Chairman's emoluments	56,116	8,384
Highest paid director	98,700	81,620
	<u>668,380</u>	<u>303,984</u>

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

	No.	No.
£5,001 - £10,000	-	1
£30,001 - £35,000	-	1
£35,001 - £40,000	-	1
£55,001 - £60,000	1	-
£60,001 - £65,000	1	1
£70,001 - £75,000	1	-
£75,001 - £80,000	1	-
£80,001 - £85,000	-	1
£95,001 - £100,000	1	-
	<u>5</u>	<u>4</u>

Of the Chairmans' emoluments of £56,116, £55,569 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

for the year ended 30th November

	1995 £	1994 £
<b>6. Interest receivable</b>		
Bank interest	69,901	4,896
Other interest	844	16,889
	<u>70,745</u>	<u>21,785</u>
<b>7. Interest payable</b>		
Loans and bank overdraft wholly repayable within five years	27,988	299,140
	<u>27,988</u>	<u>299,140</u>
<b>8. Taxation</b>		
Based on the profit for the year		
Corporation tax at 33%	576,000	-
	<u>576,000</u>	<u>-</u>
The tax charge for the year has been reduced by losses brought forward from previous years.		
<b>9. Profit for the financial year</b>		
This is dealt with in the accounts of:		
Holding company	1,883,802	(78,939)
Subsidiaries	(218,307)	44,258
	<u>1,665,495</u>	<u>(34,681)</u>
<b>10. Dividends</b>		
Non equity shares		
Cumulative preference dividends payable	76,611	20,814
	<u>76,611</u>	<u>20,814</u>

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th November

### 11. Employees

The average weekly number of employees including the directors, was as follows:

Staff costs comprise:

	1995	1994
	No.	No.
	8	7
	=	=
	£	£
Salaries	362,155	250,812
Social security costs	35,869	25,566
Pension contributions	200,000	-
	<u>598,024</u>	<u>276,378</u>
	<u><u>598,024</u></u>	<u><u>276,378</u></u>

The above pension contribution represents a payment into a funded unapproved pension scheme for one of the directors.

### 12. Tangible Assets

Group and Company	Office Equipment £	Computer Equipment £	Total £
Cost:			
At beginning of year	9,405	15,474	24,879
Additions	2,473	3,534	6,007
	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	11,878	19,008	30,886
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
Depreciation:			
At beginning of year	1,141	8,388	9,529
Provided this year	1,188	3,802	4,990
	<u>          </u>	<u>          </u>	<u>          </u>
	2,329	12,190	14,519
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
Net book values:			
At 30th November 1995	9,549	6,818	16,367
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
At 30th November 1994	8,264	7,086	15,350
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

at 30th November 1995

### 13. Investments

	Shares in associate £	Share of profit of associate £	Total £
<b>Group:</b>			
At beginning of year	500,000	(45,910)	454,090
Additions	999,000	271,383	1,270,383
	<hr/>	<hr/>	<hr/>
At end of year	1,499,000	225,473	1,724,473
	<hr/>	<hr/>	<hr/>

	Shares in subsidiaries £	Shares in associate £	Loans to subsidiary £	Total £
<b>Company:</b>				
At beginning of year	251	500,000	176,251	676,502
Additions	-	999,000	-	999,000
Revaluation	-	-	176,249	176,249
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	251	1,499,000	352,500	1,851,751
	<hr/>	<hr/>	<hr/>	<hr/>

£1 of the cost of the loan to subsidiary has been revalued during the year to £176,250. In the opinion of the directors this is the recoverable value of the loan.

The subsidiaries and associate, all of which are carrying on business as property developers and are registered in England, are as follows:

Name	Percentage shareholding %
Chelwood Properties Limited	100
Kimblestone Limited	100
Salcim Limited	100
Salmon Harvester Properties Limited	50

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

at 30th November 1995

	1995		1994	
14. Debtors	Group £	Company £	Group £	Company £
Trade debtors	138,383	138,383	61,552	11,552
Other debtors	39,986	14,457	113,551	885,000
Other taxes	27,359	27,359	31,538	31,538
Prepayments and accrued income	4,666	4,666	12,167	12,167
Unpaid share capital	1,000	1,000	1,000	1,000
	<u>211,394</u>	<u>185,865</u>	<u>219,808</u>	<u>941,257</u>

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

Other debtors includes an amount of £14,457 due from Mr. D R J Baird, a director. This represents the maximum amount outstanding during the year, and was fully repaid after the year end.

## 15. Creditors

	Group £	Company £	Group £	Company £
Trade creditors	215,369	194,384	163,832	110,514
Amounts owed to subsidiaries	-	461,768	-	1,739,515
Social security and other taxes	30,722	27,282	5,141	4,812
Other creditors	115,072	115,072	647,172	643,953
Accruals	434,094	376,948	681,845	408,249
Corporation tax	576,000	576,000	-	-
Preference dividends payable	97,425	97,425	20,814	20,814
	<u>1,468,682</u>	<u>1,848,879</u>	<u>1,518,804</u>	<u>2,927,857</u>

Preference dividends payable includes £20,814 of arrears from the previous year.

# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS

at 30th November 1995

	1995 £	1994 £
<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
	<hr/>	<hr/>
	51,000	51,000
	<hr/>	<hr/>
Issued and partly paid:		
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
	<hr/>	<hr/>
	13,500	13,500
	<hr/>	<hr/>

### 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

at 30th November 1995

### 17. Profit and loss account

	Group £	Company £
At beginning of year	(626,253)	(1,113,187)
Profit for the year	1,665,495	1,883,802
	<hr/>	<hr/>
At end of year	1,039,242	770,615
	<hr/>	<hr/>
	1995	1994
	£	£

### 18. Revaluation reserve

Addition and at end of year (note 13)	176,249	-
	<hr/>	<hr/>

### 19. Reconciliation of operating profit to net cash inflow from operating activities

Operating profit	2,275,349	263,488
Share of profit of associate	(271,383)	58,910
Depreciation charges	4,990	4,035
Decrease in stock	100,780	1,120,253
Decrease in debtors	8,414	3,958
Decrease in creditors	(526,484)	(498,410)
	<hr/>	<hr/>
	1,591,666	952,234
	<hr/>	<hr/>

### 20. Analysis of changes in cash and cash equivalents during the year

Balance at start of year	54,126	(143,238)
Net cash inflow	629,416	197,364
	<hr/>	<hr/>
Balance at end of year	683,542	54,126
	<hr/>	<hr/>



# SALMON DEVELOPMENTS PLC

## NOTES TO THE FINANCIAL STATEMENTS at 30th November

	1995 £	1994 £
<b>21. Purchase of subsidiary</b>		
Net assets acquired		
Stock	-	1,059,122
Debtors	-	175
Cash at bank	-	40,022
Creditors	-	(1,060,534)
	<hr/>	<hr/>
	-	38,785
Goodwill	-	(19,392)
	<hr/>	<hr/>
	-	19,393
	<hr/>	<hr/>
Satisfied by		
Profits previously accounted for as an associate	-	19,393
	<hr/>	<hr/>
<b>22. Reconciliation of movements in shareholders funds</b>		
Profit for the financial year	1,742,106	(13,867)
Dividends	(76,611)	(20,814)
Issue of new shares	-	1,000
Consolidation reserve arising on acquisition of subsidiary in the year	-	19,392
Other recognised gains and losses	176,249	-
	<hr/>	<hr/>
Opening shareholders funds	1,841,744 (593,361)	(14,289) (579,072)
	<hr/>	<hr/>
Closing shareholders funds	1,248,383	(593,361)
	<hr/>	<hr/>

## SALMON DEVELOPMENTS PLC

### NOTES TO THE FINANCIAL STATEMENTS

at 30th November 1995

#### 23. Financial Commitments

i) Operating leases	1995 £	1994 £
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The group has annual commitments  
expiring as follows:

Land and buildings:

Within one year	70,000	70,000
	=====	=====

Other:

In two to five years	1,665	1,665
	=====	=====

#### ii) Capital

The group has committed to invest a further £500,000 in its associate Salmon Harvester Properties Limited.

#### 24. Deferred Tax

##### Company

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

	1995 £	1994 £
Revaluation of investment	52,875	-
	=====	=====