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Report of the Directors and
Financial Statements for the Year Ended 31st December 2005
for
Salmon Harvester Properties Limited



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Salmon Harvester Properties Limited

Contents of the Financial Statements
for the Year Ended 31st December 2005

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	9
Trading and Profit and Loss Account	17

Salmon Harvester Properties Limited
Company Information
for the Year Ended 31st December 2005

DIRECTORS:

A M Cummins
R A Martin
D J Stewart
R Henderson
K Arif
R M Topps
P Hughes

SECRETARY:

Miss S E Cooper

REGISTERED OFFICE:

Tiddington Road
Stratford-upon-Avon
Warwickshire
CV37 7BJ

REGISTERED NUMBER:

2921283

BUSINESS ADDRESS:

46 Mount Street
Mayfair
London
W1K 2HH
(020 7499 4378)

AUDITORS:

Meyer Williams
Chartered Accountants
& Registered Auditors
Queen Alexandra House
2 Bluecoats Avenue
Hertford
Hertfordshire
SG14 1PB

Salmon Harvester Properties Limited
Report of the Directors
for the Year Ended 31st December 2005

The directors present their report with the financial statements of the company for the year ended 31st December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development.

REVIEW OF BUSINESS

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

DIVIDENDS

No interim dividends were paid during the year ended 31st December 2005.

The directors recommend final dividends per share as follows:

'A' ordinary 1p shares	£3.13609
'B' ordinary 1p shares	£0.78402

The total distribution of dividends for the year ended 31st December 2005 will be £784,024.

DIRECTORS

The directors during the year under review were:

A M Cummins
R A Martin
D J Stewart
R Henderson
K Arif
R M Topps

P Hughes was appointed director on 27th January 2006.

The directors holding office at 31st December 2005 did not hold any beneficial interest in the issued share capital of the company at 1st January 2005 or 31st December 2005.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 of the profit or loss of the company 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 company will continue in business.

The directors are responsible for keeping 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 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 234ZA of the Companies Act 1985) of which the company'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 company's auditors are aware of that information.


Salmon Harvester Properties Limited

Report of the Directors
for the Year Ended 31st December 2005

AUDITORS

The auditors, Meyer Williams, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....

Miss S E Cooper - Secretary

10th March 2006

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

We have audited the financial statements of Salmon Harvester Properties Limited for the year ended 31st December 2005 on pages five to seventeen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditors' report 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 described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

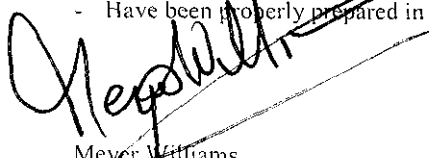
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 that 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2005 and of its profit for the year then ended; and
- Have been properly prepared in accordance with the Companies Act 1985.



Meyer Williams
Chartered Accountants
& Registered Auditors
Queen Alexandra House
2 Bluecoats Avenue
Hertford
Hertfordshire
SG14 1PB

10th March 2006

Profit and Loss Account
for the Year Ended 31st December 2005

	Notes	31.12.05 £	31.12.04 £
TURNOVER		19,669,862	21,005,292
Cost of sales		<u>(20,851,703)</u>	<u>(20,522,660)</u>
GROSS (LOSS)/PROFIT		(1,181,841)	482,632
Administrative expenses		<u>(115,901)</u>	<u>(101,950)</u>
		(1,297,742)	380,682
Other operating income	2	<u>1,655,802</u>	<u>202,217</u>
OPERATING PROFIT	4	358,060	582,899
Interest receivable and similar income	5	<u>178,963</u>	<u>604,267</u>
		537,023	1,187,166
Interest payable and similar charges	6	<u>(79)</u>	<u>(66)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		536,944	1,187,100
Tax on profit on ordinary activities	7	<u>333,192</u>	<u>(316,069)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>870,136</u>	<u>871,031</u>
PROFIT FOR THE YEAR		<u>870,136</u>	<u>871,031</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES


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


Salmon Harvester Properties Limited

Balance Sheet
31st December 2005

	Notes	31.12.05 £	31.12.04 £
FIXED ASSETS			
Investments	9	322	322
CURRENT ASSETS			
Stocks	10	20,235,132	7,242,277
Debtors	11	1,486,916	6,015,966
Cash at bank		<u>400,366</u>	<u>2,153,309</u>
		22,122,414	15,411,552
CREDITORS			
Amounts falling due within one year	12	<u>17,553,781</u>	<u>10,929,031</u>
NET CURRENT ASSETS		<u>4,568,633</u>	<u>4,482,521</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,568,955</u>	<u>4,482,843</u>
CAPITAL AND RESERVES			
Called up share capital	15	4,000	4,000
Share premium	16	3,796,000	3,796,000
Capital redemption reserve	16	200,000	200,000
Profit and loss account	16	<u>568,955</u>	<u>482,843</u>
SHAREHOLDERS' FUNDS	19	<u>4,568,955</u>	<u>4,482,843</u>

ON BEHALF OF THE BOARD:


.....
R F Henderson - Director


.....
A M Cummins - Director

Approved by the Board on 10th March 2006.

The notes form part of these financial statements

Salmon Harvester Properties Limited

Cash Flow Statement
for the Year Ended 31st December 2005

	Notes	31.12.05		31.12.04	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(8,065,288)		10,145,738
Returns on investments and servicing of finance	2		178,884		604,201
Taxation			<u>(14,494)</u>		<u>70,672</u>
			(7,900,898)		10,820,611
Financing	2		<u>6,147,955</u>		<u>(8,816,930)</u>
(Decrease)/Increase in cash in the period			<u><u>(1,752,943)</u></u>		<u><u>2,003,681</u></u>

Reconciliation of net cash flow to movement in net debt

	3		
(Decrease)/Increase in cash in the period		(1,752,943)	2,003,681
Cash (inflow)/outflow from (increase)/decrease in debt		<u>(6,147,955)</u>	<u>8,816,930</u>
Change in net debt resulting from cash flows		<u>(7,900,898)</u>	<u>10,820,611</u>
Movement in net debt in the period		(7,900,898)	10,820,611
Net debt at 1st January		<u>(6,213,715)</u>	<u>(17,034,326)</u>
Net debt at 31st December		<u><u>(14,114,613)</u></u>	<u><u>(6,213,715)</u></u>

The notes form part of these financial statements

Salmon Harvester Properties Limited

Notes to the Cash Flow Statement
for the Year Ended 31st December 2005

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

	31.12.05 £	31.12.04 £
Operating profit	358,060	582,899
(Increase)/Decrease in stocks	(12,992,855)	6,634,499
Decrease in debtors	4,689,729	1,155,705
Increase in creditors	<u>(120,222)</u>	<u>1,772,635</u>
Net cash (outflow)/inflow from operating activities	<u>(8,065,288)</u>	<u>10,145,738</u>

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

	31.12.05 £	31.12.04 £
Returns on investments and servicing of finance		
Interest received	178,963	604,267
Interest paid	<u>(79)</u>	<u>(66)</u>
Net cash inflow for returns on investments and servicing of finance	<u>178,884</u>	<u>604,201</u>
 Financing		
Increase/(decrease) in amounts owed to NFUM	<u>6,147,955</u>	<u>(8,816,930)</u>
Net cash inflow/(outflow) from financing	<u>6,147,955</u>	<u>(8,816,930)</u>

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

	At 1.1.05 £	Cash flow £	At 31.12.05 £
Net cash:			
Cash at bank	<u>2,153,309</u>	<u>(1,752,943)</u>	<u>400,366</u>
	<u>2,153,309</u>	<u>(1,752,943)</u>	<u>400,366</u>
 Debt:			
Debts falling due within one year	<u>(8,367,024)</u>	<u>(6,147,955)</u>	<u>(14,514,979)</u>
	<u>(8,367,024)</u>	<u>(6,147,955)</u>	<u>(14,514,979)</u>
 Total	<u>(6,213,715)</u>	<u>(7,900,898)</u>	<u>(14,114,613)</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31st December 2005

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the invoiced value of goods and services supplied and the value of long-term contract work done, and is stated exclusive of VAT.

Stocks and work in progress

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

Work in progress is stated at the lower of cost and net realisable value. Work in progress includes costs, including interest incurred on various sites on behalf of the owner of those sites and which will be reimbursed in due course.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Consolidation

The company has taken advantage of the exemption conferred by Section 228 of the Companies Act 1985 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.

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

Investments

Investments are included at cost less provisions required for diminution in value.

Rental income

In accordance with Statement of Standard Accounting Practice No. 21, rental income receivable under the terms of a lease has been accrued evenly over the period of the lease.

2. OTHER OPERATING INCOME

	31.12.05	31.12.04
	£	£
Rents received	132,183	202,217
Dividends receivable	1,523,619	-
	<u>1,655,802</u>	<u>202,217</u>

3. STAFF COSTS

There were no staff costs for the year ended 31st December 2005 nor for the year ended 31st December 2004.

The average monthly number of employees during the year who are all directors was as follows:

	31.12.05	31.12.04
Administration	<u>6</u>	<u>6</u>

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2005

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.05	31.12.04
	£	£
Auditors' remuneration	<u>19,000</u>	<u>20,400</u>
Directors' emoluments	<u>-</u>	<u>-</u>

5. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	31.12.05	31.12.04
	£	£
Interest from subsidiary company	-	510,848
Interest from associated company	81,920	66,907
Bank interest	96,591	19,800
Other interest	<u>452</u>	<u>6,712</u>
	<u>178,963</u>	<u>604,267</u>

6. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.05	31.12.04
	£	£
Bank interest	<u>79</u>	<u>66</u>

NFUM loan interest (see note 10) is included within cost of sales in the profit and loss account.

7. **TAXATION**

Analysis of the tax credit/(charge)

The tax credit/(charge) on the profit on ordinary activities for the year was as follows:

	31.12.05	31.12.04
	£	£
Current tax:		
UK corporation tax	154,705	(187,007)
Over provision in respect of previous year	13,286	66,242
Amount receivable from a subsidiary in respect of group relief surrendered	<u>148,000</u>	<u>-</u>
Total current tax	<u>315,991</u>	<u>(120,765)</u>
Deferred tax:		
Deferred tax	-	(134,256)
Overprovision in previous year	<u>17,201</u>	<u>(61,048)</u>
Total deferred tax	<u>17,201</u>	<u>(195,304)</u>
Tax on profit on ordinary activities	<u>333,192</u>	<u>(316,069)</u>

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2005

7. **TAXATION - continued**

Factors affecting the tax (credit)/charge

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

	31.12.05	31.12.04
	£	£
Profit on ordinary activities before tax	<u>536,944</u>	<u>1,187,100</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	(161,083)	(356,130)
Effects of:		
Expenses not allowed for tax purposes	-	(20,072)
Utilisation of losses	-	134,256
Overprovision in respect of previous year	13,286	66,242
Other timing differences	6,703	51,749
Marginal relief	-	3,190
Non-taxable group dividends	<u>457,086</u>	<u>-</u>
Current tax credit/(charge)	<u>315,992</u>	<u>(120,765)</u>

The company has losses of £442,163 (2004: £442,163) available to be carried forward and offset against future trading profits.

A deferred tax asset relating to the losses has been included in the financial statements as set out in note 11.

8. **DIVIDENDS**

	31.12.05	31.12.04
	£	£
Equity shares:		
'A' ordinary shares of 1p each		
Final	627,219	-
'B' ordinary shares of 1p each		
Final	<u>156,805</u>	<u>-</u>
	<u>784,024</u>	<u>-</u>

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2005

9. **FIXED ASSET INVESTMENTS**

Investments were as follows:

	31.12.05	31.12.04
	£	£
Shares in group undertakings	2	2
Shares in associated company	<u>320</u>	<u>320</u>
	<u><u>322</u></u>	<u><u>322</u></u>

Shares in subsidiary undertakings:

Salmon Harvester Properties (Orbital A3) Limited

Nature of business: Dormant

Class of shares:

£1 ordinary

% holding

100

Forsters Shelfco 175 Limited - ceased trading 30th June 2005

Nature of business: Property trading and development

Class of shares:

£1 ordinary

% holding

100

SHP (Shrewsbury) Limited - ceased trading 30th June 2005

Nature of business: Property trading and development

Class of shares:

£1 ordinary

% holding

100

Shares in associated company:

FSH Airport (Edinburgh) Services Limited

Nature of business: property trading and development

Class of shares:

£1 ordinary

% holding

50

Company information:

Aggregate capital and reserves
(Loss) for the year

30.6.05	30.6.04
£	£
(1,159,827)	(813,629)
<u>(346,198)</u>	<u>(247,465)</u>

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2005

10. **STOCKS**

	31.12.05	31.12.04
	£	£
Land and buildings in the course of development	17,568,842	5,307,826
Work in progress	<u>2,666,290</u>	<u>1,934,451</u>
	<u>20,235,132</u>	<u>7,242,277</u>

An amount of £422,375 (2004: £2,006,556) of interest paid or payable to the NFUM and relating to completed projects has been expended in the year.

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

	31.12.05	31.12.04
	£	£
Trade debtors	54,384	1,032,115
Other debtors	197,018	740,294
Amounts owed by NFUM	-	3,228,800
Amounts owed by associated company	944,770	887,269
Corporation tax	154,705	11,227
Deferred tax asset	132,649	115,448
Prepayments and accrued income	<u>3,390</u>	<u>813</u>
	<u>1,486,916</u>	<u>6,015,966</u>

Deferred tax asset

	31.12.05	31.12.04
Trading losses carried forward	<u>132,649</u>	<u>115,448</u>
Balance brought forward	115,448	310,752
Deferred tax debited/(credited) in the Profit and Loss Account	<u>17,201</u>	<u>(195,304)</u>
Balance carried forward	<u>132,649</u>	<u>115,448</u>

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

	31.12.05	31.12.04
	£	£
Other loans (see note 13)	14,514,979	8,367,024
Trade creditors	1,216,301	121,529
Corporation tax	-	187,007
Social security and other taxes	-	1,583,577
Proposed dividends	784,024	-
Amounts owed to associated undertakings	322	322
Amounts owed to subsidiary undertakings	469,615	199,784
Accruals and deferred income	<u>568,540</u>	<u>469,788</u>
	<u>17,553,781</u>	<u>10,929,031</u>

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2005

13. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.05	31.12.04
	£	£
Amounts falling due within one year or on demand:		
Amounts owed to NFUM	<u>14,514,979</u>	<u>8,367,024</u>

14. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.05	31.12.04
	£	£
Amounts owed to NFUM	<u>14,514,979</u>	<u>8,367,024</u>

The amounts owed to NFUM include a loan secured by a first legal mortgage on all freehold and leasehold property owned by the company and included in work in progress. The loan has no fixed repayment terms and is, therefore, treated as due within one year. Interest is charged at a rate of 2.5% above base rate.

15. **CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	31.12.05	31.12.04
			£	£
200,000	'A' ordinary	1p	2,000	2,000
200,000	'B' ordinary	1p	2,000	2,000
200,000	'C' ordinary	£1	200,000	200,000
800,000	'D' ordinary	£1	<u>800,000</u>	<u>800,000</u>
			<u>1,004,000</u>	<u>1,004,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.05	31.12.04
			£	£
200,000	'A' ordinary	1p	2,000	2,000
200,000	'B' ordinary	1p	<u>2,000</u>	<u>2,000</u>
			<u>4,000</u>	<u>4,000</u>

The 'A' shares owned by NFUM have a right to 80%, and the 'B' shares owned by Salmon Developments plc 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.

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2005

16. **RESERVES**

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1st January 2005	482,843	3,796,000	200,000	4,478,843
Retained profit for the year	870,136	-	-	870,136
Dividends	(784,024)	-	-	(784,024)
At 31st December 2005	<u>568,955</u>	<u>3,796,000</u>	<u>200,000</u>	<u>4,564,955</u>

17. **CONTINGENT LIABILITIES**

The company is subject to the normal post-sales contingencies attaching to a property developer.

18. **RELATED PARTY DISCLOSURES**

	31.12.05 £	31.12.04 £
<u>The National Farmers Union Mutual Insurance Group</u> (the parent undertaking)		
Included within work in progress		
Interest capitalised	-	1,019,809
Property acquired from NFUM	4,500,000	-
Included within debtors		
Amounts owed by NFUM	-	3,228,800
Other debtors	10,100	10,100
Included within creditors		
Amounts owed to NFUM	14,514,978	8,367,024
Included within turnover	18,781,328	13,564,276
Included within cost of sales		
Interest payable	422,575	2,006,556
Included within creditors		
Dividends proposed to NFUM	627,219	-
Included within dividends payable		
Dividends payable to NFUM	627,219	-

Salmon Developments plc

(an undertaking with a 50% interest in the company)

Included within cost of sales		
Management charges	750,000	750,000
Project management fees	470,414	-
Included within creditors		
Dividends proposed to Salmon Developments plc	156,805	-
Accruals and deferred income	470,414	-
Included within dividends payable		
Dividends payable to Salmon Developments plc	156,805	-
Included within work in progress		
Project management fees	80,900	36,000

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2005

18. **RELATED PARTY DISCLOSURES - continued**

	31.12.05 £	31.12.04 £
<u>Forsters Shelfco 175 Limited</u> (a subsidiary undertaking)		
Included within debtors		
Other debtors	2	2
Included within creditors		
Amounts owed to subsidiary undertaking	5,464	199,784
Included within other income		
Interest receivable	-	510,848
Dividend receivable	95,267	-
<u>SHP (Shrewsbury) Limited</u> (a subsidiary undertaking)		
Included within taxation in profit and loss account		
Amounts receivable in respect of group relief surrendered	148,000	-
Included within creditors		
Amounts owed to subsidiary undertaking	464,151	-
<u>FSH Airport (Edinburgh) Services Limited</u> (a company in which Salmon Harvester Properties Limited has a participating interest)		
Included within debtors		
Amounts owed by associated company	944,770	887,269
Included within creditors		
Amounts owed to associated company	322	322
Included within administrative expenses		
Provision for bad debts	81,920	66,907
Included within other income		
Interest receivable	81,920	66,907

All transactions are undertaken on normal commercial terms. No interest is payable or receivable on amounts owed to or by related parties except for the following balances:

Amounts owed to NFUM
Amounts owed by Forsters Shelfco 175 Limited
Amounts owed by FSH Airport (Edinburgh) Services Limited

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

	31.12.05 £	31.12.04 £
Profit for the financial year	870,136	871,031
Dividends	(784,024)	-
Net addition to shareholders' funds	86,112	871,031
Opening shareholders' funds	<u>4,482,843</u>	<u>3,611,812</u>
Closing shareholders' funds	<u>4,568,955</u>	<u>4,482,843</u>
Equity interests	<u>4,568,955</u>	<u>4,482,843</u>

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

The directors regard NFUM, a company registered in England and Wales, as the ultimate parent company. 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. No single party has had ultimate control of the company in the current or previous years.

Salmon Harvester Properties Limited

Trading and Profit and Loss Account
for the Year Ended 31st December 2005

	31.12.05		31.12.04
	£	£	£
Sales	19,669,862		21,005,292
Cost of sales			
Opening work in progress	8,888,041		13,876,776
Purchases	<u>32,198,794</u>		<u>15,533,925</u>
	41,086,835		29,410,701
Closing work in progress	<u>(20,235,132)</u>		<u>(8,888,041)</u>
	<u>(20,851,703)</u>		<u>(20,522,660)</u>
GROSS (LOSS)/PROFIT	(1,181,841)		482,632
Other income			
Rents received	132,183		202,217
Dividends receivable	1,523,619		-
Interest receivable	<u>178,963</u>		<u>604,267</u>
	<u>1,834,765</u>		<u>806,484</u>
	652,924		1,289,116
Expenditure			
Marketing	11,726		9,838
Searches	469		180
Sundry expenses	1,859		3,726
Auditors' remuneration	19,000		20,400
Bad debts	<u>81,920</u>		<u>66,907</u>
	<u>(114,974)</u>		<u>(101,051)</u>
	537,950		1,188,065
Finance costs			
Bank charges	927		899
Bank interest	<u>79</u>		<u>66</u>
	<u>(1,006)</u>		<u>(965)</u>
NET PROFIT	<u>536,944</u>		<u>1,187,100</u>