

298 102

Report of the Directors and  
Financial Statements for the Year Ended 31st December 2006  
for  
Salmon Harvester Properties Limited



Salmon Harvester Properties Limited

Contents of the Financial Statements  
for the Year Ended 31st December 2006

	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	18

Salmon Harvester Properties Limited

Company Information

**DIRECTORS:** R A Martin (Chairman)  
K Arif  
A M Cummins  
R G F Henderson  
P Hughes  
D J Stewart  
R M Topps

**SECRETARY:** Miss S E Cooper

**REGISTERED OFFICE:** Tiddington Road  
Stratford-upon-Avon  
Warwickshire  
CV37 7BJ

**REGISTERED NUMBER:** 2921283 (England and Wales)

**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 2006

The directors present their report with the financial statements of the company for the year ended 31st December 2006.

**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**

The total distribution of dividends for the year ended 31st December 2006 was £1,000,000.

**DIRECTORS**

The directors shown below were in office at 31st December 2006 but did not hold any interest in the shares of the company at 1st January 2006 (or date of appointment if later) or 31st December 2006.

R A Martin (Chairman)

K Arif

A M Cummins

R G F Henderson

P Hughes - appointed 27th January 2006

D J Stewart

R M Topps

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

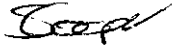
Salmon Harvester Properties Limited

Report of the Directors  
for the Year Ended 31st December 2006

**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

Date: 6th March 2007

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 2006 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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.

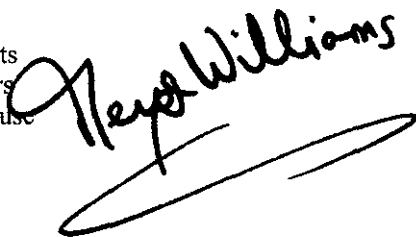
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

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



Date: 14 MARCH 2007

Salmon Harvester Properties Limited

Profit and Loss Account  
for the Year Ended 31st December 2006

	Notes	31.12.06 £	31.12.05 £
<b>TURNOVER</b>		<b>22,107,679</b>	19,669,862
Cost of sales		<u>(20,270,777)</u>	<u>(20,851,703)</u>
<b>GROSS PROFIT/(LOSS)</b>		<b>1,836,902</b>	(1,181,841)
Administrative expenses		<u>(132,121)</u>	<u>(115,901)</u>
		<b>1,704,781</b>	(1,297,742)
Other operating income	2	<u>134,179</u>	<u>1,655,802</u>
<b>OPERATING PROFIT</b>	4	<b>1,838,960</b>	358,060
Interest receivable and similar income	5	<u>465,340</u>	<u>178,963</u>
		<b>2,304,300</b>	537,023
Interest payable and similar charges	6	<u>(9,364)</u>	<u>(79)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,294,936</b>	536,944
Tax (charge)/credit on profit on ordinary activities	7	<u>(692,104)</u>	<u>333,192</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b><u>1,602,832</u></b>	<b><u>870,136</u></b>

**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.

The notes form part of these financial statements

Salmon Harvester Properties Limited

Balance Sheet  
31st December 2006

	Notes	31.12.06 £	£	31.12.05 £	£
<b>FIXED ASSETS</b>					
Investments	9		322		322
<b>CURRENT ASSETS</b>					
Stocks	10	23,104,048		20,235,132	
Debtors	11	3,003,604		1,486,916	
Cash at bank		<u>1,045,361</u>		<u>400,366</u>	
		27,153,013		22,122,414	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>(21,981,548)</u>		<u>(17,553,781)</u>	
<b>NET CURRENT ASSETS</b>			<u>5,171,465</u>		<u>4,568,633</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,171,787</u>		<u>4,568,955</u>
<b>CAPITAL AND RESERVES</b>					
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>1,171,787</u>		<u>568,955</u>
<b>SHAREHOLDERS' FUNDS</b>	19		<u>5,171,787</u>		<u>4,568,955</u>

The financial statements were approved by the Board of Directors on 6th March 2007 and were signed on its behalf by:



R A Martin - Director



D J Stewart - Director

The notes form part of these financial statements



Salmon Harvester Properties Limited

Cash Flow Statement  
for the Year Ended 31st December 2006

	Notes	31.12.06		31.12.05	
		£	£	£	£
Net cash outflow from operating activities	1		(3,355,371)		(8,065,288)
Returns on investments and servicing of finance	2		455,976		178,884
Taxation			(3,624)		(14,494)
Equity dividends paid			<u>(1,784,024)</u>		-
			(4,687,043)		(7,900,898)
Financing	2		<u>5,332,038</u>		<u>6,147,955</u>
Increase/(Decrease) in cash in the period			<u>644,995</u>		<u>(1,752,943)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		644,995		(1,752,943)	
Cash inflow from increase in debt		<u>(5,332,038)</u>		<u>(6,147,955)</u>	
Change in net debt resulting from cash flows			<u>(4,687,043)</u>		<u>(7,900,898)</u>
Movement in net debt in the period			<u>(4,687,043)</u>		<u>(7,900,898)</u>
Net debt at 1st January			<u>(14,114,613)</u>		<u>(6,213,715)</u>
Net debt at 31st December			<u>(18,801,656)</u>		<u>(14,114,613)</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 2006

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	31.12.06	31.12.05
	£	£
Operating profit	1,838,960	358,060
Increase in stocks	(2,868,916)	(12,992,855)
(Increase)/decrease in debtors	(1,649,337)	4,689,729
Decrease in creditors	<u>(676,078)</u>	<u>(120,222)</u>
Net cash outflow from operating activities	<u><u>(3,355,371)</u></u>	<u><u>(8,065,288)</u></u>

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

	31.12.06	31.12.05
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	465,340	178,963
Interest paid	<u>(9,364)</u>	<u>(79)</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>455,976</u></u>	<u><u>178,884</u></u>
 <b>Financing</b>		
Increase amounts owed to NFUM	<u>5,332,038</u>	<u>6,147,955</u>
Net cash inflow from financing	<u><u>5,332,038</u></u>	<u><u>6,147,955</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.06	Cash flow	At 31.12.06
	£	£	£
<b>Net cash:</b>			
Cash at bank	<u>400,366</u>	<u>644,995</u>	<u>1,045,361</u>
 <b>Debt:</b>			
Debts falling due within one year	<u>(14,514,979)</u>	<u>(5,332,038)</u>	<u>(19,847,017)</u>
 <b>Total</b>	<u><u>(14,114,613)</u></u>	<u><u>(4,687,043)</u></u>	<u><u>(18,801,656)</u></u>

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31st December 2006

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 valued 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, where the directors consider it appropriate, interest.

Work in progress is stated at the lower of cost and net realisable value. Work in progress includes costs including, where the directors consider it appropriate, 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

	31.12.06 £	31.12.05 £
Rents received	134,179	132,183
Dividends receivable	-	1,523,619
	<u>134,179</u>	<u>1,655,802</u>

3. STAFF COSTS

*There were no staff costs for the year ended 31st December 2006 nor for the year ended 31st December 2005.*

The directors are the only employees of the company and have received no remuneration for their services in either the current or preceding year.

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2006

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.06	31.12.05
	£	£
Auditors' remuneration	<u>19,000</u>	<u>18,000</u>
Directors' emoluments	<u>-</u>	<u>-</u>

5. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	31.12.06	31.12.05
	£	£
Interest from parent undertaking	299,101	-
Interest from associated company	90,119	81,920
Bank interest	76,120	96,591
Other interest	<u>-</u>	<u>452</u>
	<u>465,340</u>	<u>178,963</u>

6. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.06	31.12.05
	£	£
Bank interest	128	79
Interest on NFUM loan	721,838	422,575
Interest on corporation tax	<u>9,236</u>	<u>-</u>
	731,202	422,654
Less: NFUM interest transferred to cost of sales	<u>(721,838)</u>	<u>(422,575)</u>
	<u>9,364</u>	<u>79</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2006

7. **TAXATION**

**Analysis of the tax charge/(credit)**

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

	<b>31.12.06</b>	31.12.05
	£	£
Current tax:		
UK corporation tax	<b>555,832</b>	(154,705)
Under/(over) provision in previous year	<b>3,623</b>	(13,286)
Amount receivable from a subsidiary in respect of group relief	<u>-</u>	<u>(148,000)</u>
Total current tax	<b><u>559,455</u></b>	<b><u>(315,991)</u></b>
Deferred tax:		
Deferred tax	<b>132,649</b>	-
Overprovision in previous year	<u>-</u>	<u>(17,201)</u>
Total deferred tax	<b><u>132,649</u></b>	<b><u>(17,201)</u></b>
Tax on profit on ordinary activities	<b><u>692,104</u></b>	<b><u>(333,192)</u></b>

**Factors affecting the tax charge/(credit)**

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

	<b>31.12.06</b>	31.12.05
	£	£
Profit on ordinary activities before tax	<b><u>2,294,936</u></b>	<b><u>536,944</u></b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	<b>688,481</b>	161,083
Effects of:		
Utilisation of losses brought forward	<b>(132,649)</b>	-
Under/(over)provision in previous year	<b>1,215</b>	(13,286)
Other timing differences	<b>2,408</b>	(6,703)
Non-taxable group dividends	<u>-</u>	<u>(457,086)</u>
Current tax charge/(credit)	<b><u>559,455</u></b>	<b><u>(315,992)</u></b>

The company has losses of £nil (2005: £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.

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2006

8. **DIVIDENDS**

	31.12.06	31.12.05
	£	£
'A' ordinary shares of 1p each		
Final	800,000	627,219
'B' ordinary shares of 1p each		
Final	<u>200,000</u>	<u>156,805</u>
	<u><u>1,000,000</u></u>	<u><u>784,024</u></u>

9. **FIXED ASSET INVESTMENTS**

Investments were as follows:

	31.12.06	31.12.05
	£	£
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

% holding

Class of shares:

£1 ordinary

100

**Forsters Shelfco 175 Limited** - ceased trading 30th June 2005

Nature of business: Property trading and development

% holding

Class of shares:

£1 ordinary

100

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

Nature of business: Property trading and development

% holding

Class of shares:

£1 ordinary

100

Shares in associated company:

**FSH Airport (Edinburgh) Services Limited**

Nature of business: property trading and development

% holding

Class of shares:

£1 ordinary

50

Company information:

	30.6.06	30.6.05
	£	£
Aggregate capital and reserves	(1,514,686)	(1,160,727)
(Loss) for the year	<u><u>(353,959)</u></u>	<u><u>(346,198)</u></u>

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2006

10. **STOCKS**

	31.12.06	31.12.05
	£	£
Land and buildings in the course of development	21,119,799	18,465,527
Work in progress	<u>1,984,249</u>	<u>1,769,605</u>
	<u><u>23,104,048</u></u>	<u><u>20,235,132</u></u>

An amount of £721,838 (2005: £422,575) 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**

	31.12.06	31.12.05
	£	£
Trade debtors	199,757	54,384
Other debtors	1,700,868	197,018
Amounts owed by associated company	944,770	944,770
Corporation tax	154,705	154,705
Deferred tax asset	-	132,649
Prepayments and accrued income	<u>3,504</u>	<u>3,390</u>
	<u><u>3,003,604</u></u>	<u><u>1,486,916</u></u>

Deferred tax asset

	31.12.06	31.12.05
	£	£
Trading losses carried forward	<u>-</u>	<u>132,649</u>
Balance bought forward	132,649	115,448
Deferred tax (credited)/debited in the Profit and Loss Account	<u>(132,649)</u>	<u>17,201</u>
Balance carried forward	<u>-</u>	<u>132,649</u>

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

	31.12.06	31.12.05
	£	£
Other loans (see note 13)	19,847,017	14,514,979
Trade creditors	858,444	1,216,301
Corporation tax	555,831	-
Proposed dividends	-	784,024
Amounts owed to associated undertakings	322	322
Amounts owed to subsidiary undertakings	-	469,615
Accruals and deferred income	<u>719,934</u>	<u>568,540</u>
	<u><u>21,981,548</u></u>	<u><u>17,553,781</u></u>

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2006

13. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.06	31.12.05
	£	£
Amounts falling due within one year or on demand:		
Amounts owed to NFUM	<u>19,847,017</u>	<u>14,514,979</u>

14. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.06	31.12.05
	£	£
Amounts owed to NFUM	<u>19,847,017</u>	<u>14,514,979</u>

The amounts owed to NFUM are secured by a deed of debenture dated 12th December 2006 on all freehold and leasehold property owned by the company and included in work in progress. The loans have been drawn down against a facility of £25,000,000. They have no fixed repayment term and are, therefore, treated as due within one year. Interest is charged at a rate of 2.5% above base rate.

During the year, NFUM agreed to make further secured funds of up to £25,000,000 available to the company taking the company's borrowing capability from NFUM to £50,000,000. No amounts had been drawn against the new facility at 31st December 2006.

15. **CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	31.12.06	31.12.05
			£	£
400,000	'A' ordinary	1p	4,000	2,000
(31.12.05 - 200,000)				
400,000	'B' ordinary	1p	4,000	2,000
(31.12.05 - 200,000)				
1,000,000	'C' and 'D' ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>
			<u>1,008,000</u>	<u>1,004,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.06	31.12.05
			£	£
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.

On 12th December 2006 the company passed a special resolution to increase the authorised share capital of the company from £1,004,000 to £1,008,000 by the creation of a further 200,000 "A" Ordinary shares of 1p and the creation of a further 200,000 "B" Ordinary shares of 1p each.



Salmon Harvester Properties Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2006

15. **CALLED UP SHARE CAPITAL - continued**

The resolution was passed to facilitate the implementation of an agreement reached by the shareholders in the year to increase the issued share capital by £2,000,000 by way of the retention of 20% of the company's future profits.

16. **RESERVES**

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1st January 2006	568,955	3,796,000	200,000	4,564,955
Profit for the year	1,602,832	-	-	1,602,832
Dividends paid during the year	<u>(1,000,000)</u>	-	-	<u>(1,000,000)</u>
At 31st December 2006	<u>1,171,787</u>	<u>3,796,000</u>	<u>200,000</u>	<u>5,167,787</u>

17. **CONTINGENT LIABILITIES**

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

18. **RELATED PARTY DISCLOSURES**

	31.12.06 £	31.12.05 £
<b><u>The National Farmers Union Mutual Insurance Society Limited</u></b> (the parent undertaking)		
Included within work in progress		
Property acquired from NFUM	-	4,500,000
Included within debtors		
Trade debtors	127,287	-
Other debtors	309,201	10,100
Included within creditors		
Amounts owed to NFUM	19,847,017	14,514,978
Included within turnover	8,303,559	18,680,689
Included within cost of sales		
Interest payable	721,838	422,575
Included within creditors		
Dividends proposed to NFUM	-	627,219
Included within dividends paid/payable		
Dividends paid/payable to NFUM	800,000	627,219
Included within other income		
Interest receivable	299,101	-
<b><u>Salmon Developments plc</u></b> (an undertaking with a 50% interest in the company)		
Included within cost of sales		
Management charges	787,500	750,000
Project management fees	600,000	470,414
Included within creditors		
Dividends proposed to Salmon Developments plc	-	156,805
Accruals and deferred income	-	470,414
Included within dividends paid/payable		
Dividends paid/payable to Salmon Developments plc	200,000	156,805
Included within work in progress		
Project management fees	52,400	80,900

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2006

18. **RELATED PARTY DISCLOSURES - continued**

	31.12.06	31.12.05
	£	£
<b><u>Forsters Shelfco 175 Limited</u></b>		
(a subsidiary undertaking which has ceased to trade)		
Included within debtors		
Other debtors	2	2
Included within creditors		
Amounts owed to subsidiary undertaking	-	5,464
Included within other income		
Dividend receivable	-	95,267
<b><u>SHP (Shrewsbury) Limited</u></b>		
(a subsidiary undertaking which has ceased to trade)		
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
Included within other income		
Dividend receivable	-	1,428,352
<b><u>FSH Airport (Edinburgh) Services Limited</u></b>		
(a company in which Salmon Harvester Properties Limited has a participating interest)		
Included within debtors		
Amounts owed by associated company	944,770	944,770
Included within creditors		
Amounts owed to associated company	322	322
Included within administrative expenses		
Provision for bad debts	90,119	81,920
Included within other income		
Interest receivable	90,119	81,920
<b><u>Oaks Property Trust</u></b>		
(an entity in which the NFUM has a controlling interest)		
Included within cost of sales		
Property acquired from Oaks Property Trust	1,460,000	-

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

Salmon Harvester Properties Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2006

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

	31.12.06	31.12.05
	£	£
Profit for the financial year	1,602,832	870,136
Dividends paid during the year	<u>(1,000,000)</u>	<u>(784,024)</u>
<b>Net addition to shareholders' funds</b>	<b>602,832</b>	<b>86,112</b>
Opening shareholders' funds	<u>4,568,955</u>	<u>4,482,843</u>
<b>Closing shareholders' funds</b>	<b><u>5,171,787</u></b>	<b><u>4,568,955</u></b>

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 NFUM in the current or previous years.

Salmon Harvester Properties Limited

Trading and Profit and Loss Account  
for the Year Ended 31st December 2006

	31.12.06		31.12.05
	£	£	£
Sales	22,107,679		19,669,862
<b>Cost of sales</b>			
Opening work in progress	20,235,132		8,888,041
Purchases	<u>22,957,799</u>		<u>32,198,794</u>
	43,192,931		41,086,835
Closing work in progress	<u>(22,922,154)</u>		<u>(20,235,132)</u>
	<u>20,270,777</u>		<u>20,851,703</u>
<b>GROSS PROFIT/(LOSS)</b>	<b>1,836,902</b>		<b>(1,181,841)</b>
<b>Other income</b>			
Rents received	134,179		132,183
Dividends receivable	-		1,523,619
Interest receivable	<u>465,340</u>		<u>178,963</u>
	<u>599,519</u>		<u>1,834,765</u>
	<b>2,436,421</b>		<b>652,924</b>
<b>Expenditure</b>			
Marketing	16,214		12,726
Searches	432		469
Sundry expenses	5,305		1,859
Auditors' remuneration	19,000		18,000
Bad debts	<u>90,119</u>		<u>81,920</u>
	<u>(131,070)</u>		<u>(114,974)</u>
	<b>2,305,351</b>		<b>537,950</b>
<b>Finance costs</b>			
Bank charges	1,051		927
Bank interest	128		79
Interest on corporation tax	<u>9,236</u>		<u>-</u>
	<u>(10,415)</u>		<u>(1,006)</u>
<b>NET PROFIT BEFORE TAX</b>	<b><u>2,294,936</u></b>		<b><u>536,944</u></b>

This page does not form part of the statutory financial statements