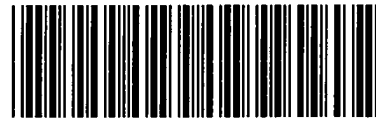


Strategic Report,  
Report of the Directors and  
Financial Statements  
for the Year Ended 31st December 2019  
for  
Salmon Harvester Properties Limited

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for the Year Ended 31st December 2019

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Salmon Harvester Properties Limited  
Company Information  
for the Year Ended 31st December 2019

**DIRECTORS:**

D J Stewart  
R G F Henderson  
R M Topps  
R D Morley

**SECRETARY:**

S E Johns

**REGISTERED OFFICE:**

Tiddington Road  
Stratford-upon-Avon  
Warwickshire  
CV37 7BJ

**REGISTERED NUMBER:**

02921283 (England and Wales)

**AUDITORS:**

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

Strategic Report  
for the Year Ended 31st December 2019

The directors present their strategic report for the year ended 31st December 2019.

**REVIEW OF BUSINESS**

|  | 2019    | 2018   | 2017   |
|--|---------|--------|--------|
| Turnover (decrease)/increase                         | (£60m)  | £30m   | £36m   |
| Net (loss)/profit before tax                         | (£1.8m) | £24.1m | £4.5m  |
| Net (loss)/profit %                                  | (21.7%) | 35.2%  | 11.6%  |
| Liquidity ratio                                      | 3.56:1  | 2.86:1 | 1.10:1 |
| Gearing  | 20%     | 5%     | 65%    |
| Percentage of property sales to development services | 73%     | 51%    | 65%    |

During the year the shareholders of the company made the decision to finalize the development of the remaining property portfolio with a view to sell off the assets and distribute the reserves in accordance with the shareholders agreement. Due to the company no longer extending their portfolio this has caused the fall in turnover and profitability but is in line with the company's business plan and directors' expectations.

As part of the winding down process the company paid additional management fees causing the company to report a net loss before taxation.

Gearing for the company has improved as there has been a significant reduction in accruals due to the reduction in development and the payment of previously accrued management fees for past projects.

As a result of the directors choosing to complete existing projects and intention not to continue to trade in the long term, the going concern basis is no longer appropriate for the financial statements and the break up basis will be used instead. The Directors are committed to continue an orderly disposal of the company's remaining assets in line with the existing business plan. A description of the accounting treatment under the basis is included in Accounting Policies on page 11.

Strategic Report  
for the Year Ended 31st December 2019

**PRINCIPAL RISKS AND UNCERTAINTIES**

Business Risk

The directors consider that the company's principal business risk is a downturn in property values which could affect the recoverability in work in progress. This risk is not considered a major concern due to the current market values which overall are comfortably in excess of book cost.

Brexit Risk

The implications of Brexit for the property business are far reaching and largely unknown. The directors believe the main risk from Brexit is a reduction in property values due to uncertainty in the market, however the company has sufficient working capital to retain and let completed developments until such time as the market may improve.

Coronavirus Risk

The risks for all industries presented by Coronavirus are wide ranging and international. The main risk for the company is a loss of rental income due to business failures, however the company has sufficient funds to cover operating costs in the short term until the economic effects of the virus have subsided.

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.

Interest Rate Risk

The company is exposed to cash flow interest rate risk on its loans. Company policy permits but does not demand that a mix of fixed and variable rate debt is used to reduce exposure.

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 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 long term development contracts entered into and various other 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:**



.....  
R G F Henderson - Director

Date: 29/7/20  
.....

Report of the Directors  
for the Year Ended 31st December 2019

The directors present their report with the financial statements of the company for the year ended 31st December 2019.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of property development. The company also acts as an asset manager to provide real estate management and asset advisory services.

**DIVIDENDS**

During the year the directors distributed dividends of £8,710,459 and £2,177,615 on the A and B shares respectively.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2019 to the date of this report.

D J Stewart  
R G F Henderson  
R M Topps  
R D Morley

Other changes in directors holding office are as follows:

A S L Beasley - resigned 19th July 2019

**GOING CONCERN**

The directors have determined that as the activity of the company is being drawn to a close, it is inappropriate to continue to prepare the financial statements on the going concern basis. As such, these financial statements have been prepared on the 'Break up basis.'

A description of the 'Break up basis' and how this differs from the 'Going concern' basis can be found in 'Accounting Policies.'

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 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 accounting estimates that are reasonable and prudent;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 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 418 of the Companies Act 2006) 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.

Report of the Directors  
for the Year Ended 31st December 2019

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**



.....  
R G F Henderson - Director

Date: ..... 29/7/20 .....

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

**Opinion**

We have audited the financial statements of Salmon Harvester Properties Limited (the 'company') for the year ended 31st December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2019 and of its loss 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

The directors have notified us of their intention not to continue to trade in the long term and therefore the financial statements have not been prepared on the going concern basis.

Appropriate disclosure has been made in the financial statements.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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.



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

Date: 12 AUGUST 2020

Statement of Comprehensive Income  
for the Year Ended 31st December 2019

|  | Notes | 31.12.19<br>£      | 31.12.18<br>£     |
|--|-------|--------------------|-------------------|
| <b>TURNOVER</b>                                | 3     | 8,131,442          | 68,430,464        |
| Cost of sales                                  |       | <u>8,412,543</u>   | <u>46,994,648</u> |
| <b>GROSS (LOSS)/PROFIT</b>                     |       | (281,101)          | 21,435,816        |
| Administrative expenses                        |       | <u>3,407,517</u>   | <u>606,199</u>    |
|  |       | (3,688,618)        | 20,829,617        |
| Other operating income                         | 4     | <u>1,013,232</u>   | <u>3,204,263</u>  |
| <b>OPERATING (LOSS)/PROFIT</b>                 | 6     | (2,675,386)        | 24,033,880        |
| Profit on sale of investment                   | 7     | <u>822,869</u>     | <u>-</u>          |
|  |       | (1,852,517)        | 24,033,880        |
| Interest receivable and similar income         | 8     | <u>84,689</u>      | <u>73,867</u>     |
| <b>(LOSS)/PROFIT BEFORE TAXATION</b>           |       | (1,767,828)        | 24,107,747        |
| Tax on (loss)/profit                           | 9     | <u>(333,441)</u>   | <u>4,537,763</u>  |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>    |       | (1,434,387)        | 19,569,984        |
| <b>OTHER COMPREHENSIVE INCOME</b>              |       | <u>-</u>           | <u>-</u>          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> |       | <u>(1,434,387)</u> | <u>19,569,984</u> |

The notes form part of these financial statements

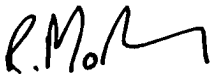
Balance Sheet  
31st December 2019

|   | Notes | 31.12.19<br>£     | 31.12.18<br>£     |
|---|-------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                                 |       |                   |                   |
| Stocks  | 11    | 13,830,566        | 19,578,596        |
| Debtors: amounts falling due within one year          | 12    | 1,149,236         | 14,480,012        |
| Debtors: amounts falling due after more than one year | 12    | 1,048,377         | 1,026,627         |
| Investments   | 13    | 321               | 1,500,343         |
| Cash at bank  |       | <u>1,269,842</u>  | <u>705,403</u>    |
|   |       | 17,298,342        | 37,290,981        |
| <b>CREDITORS</b>                                      |       |                   |                   |
| Amounts falling due within one year                   | 14    | <u>4,855,201</u>  | <u>12,525,379</u> |
| <b>NET CURRENT ASSETS</b>                             |       | <u>12,443,141</u> | <u>24,765,602</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       | <u>12,443,141</u> | <u>24,765,602</u> |
| <b>CAPITAL AND RESERVES</b>                           |       |                   |                   |
| Called up share capital                               | 17    | 4,806             | 4,806             |
| Retained earnings                                     |       | <u>12,438,335</u> | <u>24,760,796</u> |
| <b>SHAREHOLDERS' FUNDS</b>                            |       | <u>12,443,141</u> | <u>24,765,602</u> |

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 24<sup>th</sup> July 2020 and were signed on its behalf by:



.....  
R G F Henderson - Director



.....  
R D Morley - Director

Statement of Changes in Equity  
for the Year Ended 31st December 2019

|                                      | <b>Called up<br/>share<br/>capital<br/>£</b> | <b>Retained<br/>earnings<br/>£</b> | <b>Share<br/>premium<br/>£</b> | <b>Capital<br/>redemption<br/>reserve<br/>£</b> | <b>Total<br/>equity<br/>£</b> |
|--------------------------------------|--|------------------------------------|--------------------------------|---|-------------------------------|
| <b>Balance at 1st January 2018</b>   | 4,806  | 389,600                            | 4,601,212                      | 200,000   | 5,195,618                     |
| <b>Changes in equity</b>             |  |                                    |                                |   |                               |
| Reduction of capital                 | -  | 4,801,212                          | (4,601,212)                    | (200,000)                                       | -                             |
| Total comprehensive income           | -  | 19,569,984                         | -                              | -   | 19,569,984                    |
| <b>Balance at 31st December 2018</b> | <u>4,806</u>                                 | <u>24,760,796</u>                  | <u>-</u>                       | <u>-</u>  | <u>24,765,602</u>             |
| <b>Changes in equity</b>             |  |                                    |                                |   |                               |
| Total comprehensive income           | -  | (1,434,387)                        | -                              | -   | (1,434,387)                   |
| Dividends                            | -  | (10,888,074)                       | -                              | -   | (10,888,074)                  |
| <b>Balance at 31st December 2019</b> | <u>4,806</u>                                 | <u>12,438,335</u>                  | <u>-</u>                       | <u>-</u>  | <u>12,443,141</u>             |

The notes form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31st December 2019

1. **STATUTORY INFORMATION**

Salmon Harvester Properties Limited is a company limited by shares, incorporated in England and Wales. The registered office is Tiddington Road, Stratford Upon Avon, Warwickshire, CV37 7BJ.

The presentation currency of the financial statements is Sterling, which is the functional currency of the company.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (March 2018) and the Companies Act 2006, under the historical cost convention.

The company has taken advantage of the exemption conferred by Section 400 of the Companies Act 2006 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. Copies of group accounts can be obtained from the their registered office at Tiddington Road, Stratford Upon Avon, Warwickshire, CV37 7BJ.

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

**Break up basis**

The going concern basis is no longer appropriate for these financial statements and the directors have used the break up basis instead.

Under the break up basis, all fixed assets have been restated to their fair value and are held within current assets. All other items have the same treatment as a going concern.

Comparative information has been restated to comply with the above policy. An analysis of the changes is shown below:

|                                       | 31.12.18<br>(as restated)<br>£ | 31.12.18<br>(under going<br>concern)<br>£ |
|---------------------------------------|--------------------------------|---|
| Fixed asset investments               | -                              | 1,500,343                                 |
| Current assets                        | 37,290,981                     | 35,790,638                                |
| Creditors                             | <u>(12,525,379)</u>            | <u>(12,525,379)</u>                       |
| Total assets less current liabilities | <u>24,765,602</u>              | <u>24,765,602</u>                         |

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2019

2. **ACCOUNTING POLICIES - continued**

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had a significant effect on amounts recognised in the financial statements:

The directors have made key assumptions regarding the stage of completion, future costs to complete and recoverability of costs on some contracts.

The directors make estimates of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, the factors considered include the current credit rating of the debtor, the ageing profile of debtors and historical experience.

The directors make estimates on the allocation of costs between the sites, when a site is disposed of.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable from the sale of goods and from the rendering of services in the year including the value of long-term contract work completed, and is stated net of discounts and value added tax.

The company recognises revenue when the risks and rewards of ownership have transferred to the buyer, usually on the completion of a contract, when the amount of revenue can be measured reliably and it is probable that economic benefits associated to the transaction will flow to the entity.

Rental income is charged to the profit and loss account in the period to which it relates. Rent free periods granted as individual lease incentives are spread evenly over the period of the lease on a straight-line basis from the rent commencement date to the break clause or the lease end date in accordance with FRS 102.

Revenue received in respect of Asset Management fees is recognised on a quarterly basis based on an agreement for the management of certain assets.

Revenue received in respect of performance fees is recognised annually when conditions outlined in an asset management agreement have been met.

**Stocks**

Land and buildings in the course of development are valued at the lower of cost and estimated selling price less costs to complete and sell. 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 incurred on loans specifically utilised for funding the development of various sites where amounts are considered to be recoverable in full.

Work in progress is valued at direct cost less amounts transferred to the profit and loss account in respect of work carried out, less foreseeable losses and payments on account. Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion. Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using effective interest method, less any impairment.

**Cash and cash equivalents**

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2019

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

**Current tax**

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The directors periodically evaluate the position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in the periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Borrowing costs**

All borrowing costs are recognised in the period in which they are incurred. Borrowing costs in relation to loans utilised for the purpose of financing land and buildings in the course of development are capitalised where the directors consider it to be appropriate. All other borrowing costs are recognised in the profit and loss account.

**Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals applicable to operating leases where substantially all of the benefits of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the term of the lease.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2019

2. **ACCOUNTING POLICIES - continued**

**Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade debtors, trade creditors and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. **TURNOVER**

The turnover and loss (2018 - profit) before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

|                              | 31.12.19         | 31.12.18          |
|------------------------------|------------------|-------------------|
|                              | £                | £                 |
| Sale of properties           | 5,926,459        | 34,950,057        |
| Sale of development services | 2,204,983        | 33,480,407        |
|                              | <u>8,131,442</u> | <u>68,430,464</u> |

An analysis of turnover by geographical market is given below:

|                | 31.12.19         | 31.12.18          |
|----------------|------------------|-------------------|
|                | £                | £                 |
| United Kingdom | <u>8,131,442</u> | <u>68,430,464</u> |
|                | <u>8,131,442</u> | <u>68,430,464</u> |



Notes to the Financial Statements - continued  
for the Year Ended 31st December 2019

4. **OTHER OPERATING INCOME**

|                          | 31.12.19         | 31.12.18         |
|--------------------------|------------------|------------------|
|                          | £                | £                |
| Rents receivable         | 21,963           | 72,950           |
| Miscellaneous income     | 27,452           | 84,813           |
| Distributions receivable | 79,584           | 362,612          |
| Asset management fees    | 884,233          | 1,350,374        |
| Performance fees         | -                | 1,333,514        |
|                          | <u>1,013,232</u> | <u>3,204,263</u> |

5. **EMPLOYEES AND DIRECTORS**

|                       | 31.12.19       | 31.12.18       |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 163,533        | 350,040        |
| Social security costs | 21,246         | 44,975         |
| Other pension costs   | 640            | 1,136          |
|                       | <u>185,419</u> | <u>396,151</u> |

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

|                | 31.12.19 | 31.12.18 |
|----------------|----------|----------|
| Directors      | 5        | 5        |
| Administration | <u>1</u> | <u>3</u> |
|                | <u>6</u> | <u>8</u> |

|                         | 31.12.19 | 31.12.18 |
|-------------------------|----------|----------|
|                         | £        | £        |
| Directors' remuneration | <u>-</u> | <u>-</u> |

6. **OPERATING (LOSS)/PROFIT**

The operating loss (2018 - operating profit) is stated after charging:

|                        | 31.12.19      | 31.12.18      |
|------------------------|---------------|---------------|
|                        | £             | £             |
| Auditors' remuneration | <u>22,500</u> | <u>26,525</u> |

7. **EXCEPTIONAL ITEMS**

|                              | 31.12.19       | 31.12.18 |
|------------------------------|----------------|----------|
|                              | £              | £        |
| Profit on sale of investment | <u>822,869</u> | <u>-</u> |

During the year the company sold their 2% share in Hathaway Opportunity Fund LP for £2,337,889.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2019

8. INTEREST RECEIVABLE AND SIMILAR INCOME

|                                  | 31.12.19      | 31.12.18      |
|----------------------------------|---------------|---------------|
|                                  | £             | £             |
| Interest from associated company | 74,414        | 68,633        |
| Bank interest                    | 10,275        | 5,234         |
|                                  | <u>84,689</u> | <u>73,867</u> |

9. TAXATION

Analysis of the tax (credit)/charge

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

|                               | 31.12.19         | 31.12.18         |
|-------------------------------|------------------|------------------|
|                               | £                | £                |
| Current tax:                  |                  |                  |
| UK corporation tax            | (335,887)        | 4,580,472        |
| Adjustments to previous years | <u>2,446</u>     | <u>(42,709)</u>  |
| Tax on (loss)/profit          | <u>(333,441)</u> | <u>4,537,763</u> |

Reconciliation of total tax (credit)/charge included in profit and loss

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

|  | 31.12.19           | 31.12.18          |
|--|--------------------|-------------------|
|  | £                  | £                 |
| (Loss)/profit before tax   | <u>(1,767,828)</u> | <u>24,107,747</u> |
| (Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%) | (335,887)          | 4,580,472         |
| Effects of:  |                    |                   |
| Adjustments to tax charge in respect of previous periods                                       | <u>2,446</u>       | <u>(42,709)</u>   |
| Total tax (credit)/charge  | <u>(333,441)</u>   | <u>4,537,763</u>  |

10. DIVIDENDS

|                                | 31.12.19          | 31.12.18 |
|--------------------------------|-------------------|----------|
|                                | £                 | £        |
| 'A' ordinary shares of 1p each |                   |          |
| Final                          | 8,710,459         | -        |
| 'B' ordinary shares of 1p each |                   |          |
| Final                          | <u>2,177,615</u>  | <u>-</u> |
|                                | <u>10,888,074</u> | <u>-</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2019

11. STOCKS

|  | 31.12.19          | 31.12.18          |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Long term contract balances                          | 1,456,814         | 50,799,389        |
| Less: Amounts transferred to profit and loss account | -                 | (48,781,572)      |
| Work in progress                                     | 1,456,814         | 2,017,816         |
| Land and buildings in the course of development      | 12,373,752        | 17,560,780        |
|  | <u>13,830,566</u> | <u>19,578,596</u> |

Land and buildings in the course of development and work in progress includes interest capitalised in the year of £12,442 (2018: £211,669).

12. DEBTORS

|   | 31.12.19         | 31.12.18          |
|---|------------------|-------------------|
|   | £                | £                 |
| Amounts falling due within one year:          |                  |                   |
| Trade debtors                                 | 100,458          | 570,802           |
| Other debtors                                 | 487,843          | 233,694           |
| Prepayments and accrued income                | <u>560,935</u>   | <u>13,675,516</u> |
|   | <u>1,149,236</u> | <u>14,480,012</u> |
| Amounts falling due after more than one year: |                  |                   |
| Amounts owed by associates                    | <u>1,048,377</u> | <u>1,026,627</u>  |
| Aggregate amounts                             | <u>2,197,613</u> | <u>15,506,639</u> |

13. CURRENT ASSET INVESTMENTS

|                              | 31.12.19   | 31.12.18         |
|------------------------------|------------|------------------|
|                              | £          | £                |
| Shares in group undertakings | <u>321</u> | <u>1,500,343</u> |

Included in current asset investments is the following material shareholding:

**FSH Airport (Edinburgh) Services Limited**

Registered office: 11-15 Wigmore Street, London, W1A 2JZ

Nature of business: Property trading and development

| Class of shares: | % holding |
|------------------|-----------|
| £1 Ordinary      | 50.00     |

|                                | 30.6.19          | 30.6.18          |
|--------------------------------|------------------|------------------|
|                                | £                | £                |
| Aggregate capital and reserves | (5,037,768)      | (4,739,224)      |
| Loss for the year              | <u>(298,544)</u> | <u>(185,484)</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2019

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | 31.12.19         | 31.12.18          |
|---|------------------|-------------------|
|   | £                | £                 |
| Other loans (see note 15)               | 3,376,671        | 1,969,193         |
| Trade creditors                         | 36,644           | 420,422           |
| Corporation tax                         | -                | 2,892,512         |
| Social security and other taxes         | 13,569           | 7,922             |
| Other creditors                         | -                | 33,853            |
| Amounts owed to associated undertakings | 320              | 320               |
| Amounts owed to subsidiary undertakings | -                | 3                 |
| Accruals and deferred income            | 1,427,997        | 7,201,154         |
|   | <u>4,855,201</u> | <u>12,525,379</u> |

15. LOANS

An analysis of the maturity of loans is given below:

|   | 31.12.19         | 31.12.18         |
|---|------------------|------------------|
|   | £                | £                |
| Amounts falling due within one year or on demand:                           |                  |                  |
| Amounts owed to The National Farmers Union Mutual Insurance Society Limited | <u>3,376,671</u> | <u>1,969,193</u> |

16. SECURED DEBTS

The following secured debts are included within creditors:

|   | 31.12.19         | 31.12.18         |
|---|------------------|------------------|
|   | £                | £                |
| Amounts owed to The National Farmers Union Mutual Insurance Society Limited | <u>3,376,671</u> | <u>1,969,193</u> |

The amounts owed to The National Farmers Union Mutual Insurance Society Limited are secured by a deed of debenture dated 12th December 2006 on all freehold and leasehold properties owned by the company and included in stocks. The loan has no fixed repayment term and is, therefore, treated as due within one year. Interest is charged at a rate of 3.5% above base rate.

17. CALLED UP SHARE CAPITAL

| Alloted, issued and fully paid |              |                | 31.12.19     | 31.12.18     |
|--------------------------------|--------------|----------------|--------------|--------------|
| Number:                        | Class:       | Nominal value: | £            |              |
| 240,300                        | 'A' ordinary | 1p             | 2,403        | 2,403        |
| 240,300                        | 'B' ordinary | 1p             | <u>2,403</u> | <u>2,403</u> |
|                                |              |                | <u>4,806</u> | <u>4,806</u> |

The 'A' shares owned by The National Farmers Union Mutual Insurance Society Limited have a right to 80%, and the 'B' shares owned by Salmon Developments Limited 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.

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2019

**18. OPERATING LEASE COMMITMENTS RECEIVABLE**

The company had the following future minimum lease payments receivable under non-cancellable operating leases for each of the following periods:

|                            | 31.12.19 | 31.12.18 |
|----------------------------|----------|----------|
|                            | £        | £        |
| Within one year            | 30,800   | -        |
| Between one and five years | 151,532  | -        |
| More than five years       | -        | -        |

**19. RELATED PARTY DISCLOSURES**

|  | 31.12.19  | 31.12.18  |
|--|-----------|-----------|
|  | £         | £         |
| Companies that have control, joint control or significant influence over the entity: |           |           |
| Included in work in progress   |           |           |
| Interest capitalised   | 12,442    | 211,669   |
| Included in debtors  |           |           |
| Trade debtors  | 100,458   | 136,800   |
| Included within creditors  |           |           |
| Amounts owed to The National Farmers Union Mutual Insurance Society Limited          | 3,376,671 | 1,969,193 |
| Included in turnover   | 2,204,983 | 202,017   |
| Included within cost of sales  |           |           |
| Management charges   | 1,225,548 | 1,189,548 |
| Management fees  |           | 3,500,250 |
| Interest payable   | 164,208   | 501,121   |
| Included in other income   |           |           |
| Asset Management fees  | 455,938   | 464,000   |
| Included within administrative expenses  |           |           |
| Management fees  | 3,066,389 | 30,561    |
| Rent   | 19,931    | 35,000    |

Companies over which the entity has control, joint control or significant influence:

|   |           |           |
|---|-----------|-----------|
| Included within debtors                 |           |           |
| Amounts owed by associated company      | 1,048,377 | 1,026,627 |
| Other debtors                           | -         | 3,715     |
| Included within creditors               |           |           |
| Amounts owed to associated undertakings | 320       | 320       |
| Amounts owed to group undertakings      | 3         | 3         |
| Included within other income            |           |           |
| Interest receivable                     | 74,414    | 68,633    |
| Asset management fees                   | -         | 36,655    |
| Included within administrative expenses |           |           |
| Provision for bad debts                 | 74,414    | 68,633    |

Other related parties:

|                              |         |           |
|------------------------------|---------|-----------|
| Included within debtors      |         |           |
| Other debtors                | -       | 1,333,514 |
| Included within other income |         |           |
| Asset management fees        | 458,580 | 849,719   |
| Performance fees             | -       | 1,333,514 |
| Included within other income |         |           |
| Distributions receivable     | 79,584  | 362,612   |

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2019

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

The directors regard The National Farmers Union Mutual Insurance Society Limited, a company registered in England and Wales, as having been the ultimate parent company throughout the current and previous year.

The National Farmers Union Mutual Insurance Society Limited 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.

**21. EVENTS OCCURING AFTER THE REPORTING PERIOD**

Since the year end the company has disposed of its development in Ashford and closed its landbank management agreement relating to the Windsor project with The National Farmers Union Mutual Insurance Society Limited, realising proceeds of £1,490,500 and £1,550,979 respectively.