

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31st December 2016
for
Salmon Developments Limited

SATURDAY



A66BUT5E

A17

13/05/2017

#11

COMPANIES HOUSE

Salmon Developments Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31st December 2016

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Income Statement	7
Consolidated Other Comprehensive Income	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Cash Flow Statement	13
Notes to the Consolidated Financial Statements	14
Company Trading and Profit and Loss Account	26

Salmon Developments Limited
Company Information
for the Year Ended 31st December 2016

DIRECTORS: D Mapp
D J Stewart
R G F Henderson
D F Sheehan
P E Mahoney

SECRETARY: D F Sheehan

REGISTERED OFFICE: 2nd Floor
Prince Frederick House
35-39 Maddox Street
London
W1S 2PP

REGISTERED NUMBER: 02424275 (England and Wales)

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

Salmon Developments Limited

Group Strategic Report
for the Year Ended 31st December 2016

The directors present their strategic report of the company and the group for the year ended 31st December 2016.

REVIEW OF BUSINESS

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

Throughout the year Salmon Developments Limited as a company was profitable and reported a profit before tax and dividends of £7,193,782, whilst the consolidated results for the group showed an overall profit before tax and dividends of £7,998,889.

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

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risk

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

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

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

Liquidity Risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Credit Risk

The company places its cash with creditworthy institutions and performs ongoing credit evaluations of its debtors' financial position. New customers who wish to enter into contracts with the company and group are subject to credit verification procedures and relevant guarantees and undertakings are sought where appropriate. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

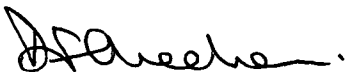
The carrying amount of cash and debtors represent the maximum credit risk to which the company is exposed.

Treasury Operations and Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability (or equity instrument) in another entity. The company's principal financial instruments include various financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Financial instruments are not entered into for speculative purposes.

ON BEHALF OF THE BOARD:



.....
D F Sheehan - Director

Date: 19th April 2017
.....

Salmon Developments Limited

Report of the Directors
for the Year Ended 31st December 2016

The directors present their report with the financial statements of the company and the group for the year ended 31st December 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of

DIVIDENDS

During the year, final dividends on ordinary shares were paid for the year ended 31st December 2015 of £352,000.

Interim dividends of £120,400 were paid during the year.

A fixed cumulative preferential dividend totalling £120,000 is proposed to be paid to the holders of participating preferred ordinary shares.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2016 to the date of this report.

D Mapp
D J Stewart
R G F Henderson
D F Sheehan
P E Mahoney

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

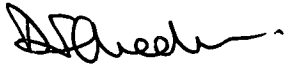
Salmon Developments Limited

Report of the Directors
for the Year Ended 31st December 2016

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
D F Sheehan - Director

Date: 19th April 2017

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

We have audited the financial statements of Salmon Developments Limited for the year ended 31st December 2016 on pages seven to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st December 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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: 5 MAY 2017

Salmon Developments Limited
Consolidated Income Statement
for the Year Ended 31st December 2016

	Notes	31.12.16 £	31.12.15 £
TURNOVER			
Group and share of associate		7,916,292	17,591,557
Less:			
Share of associate's turnover		<u>(1,308,376)</u>	<u>(9,361,145)</u>
GROUP TURNOVER		6,607,916	8,230,412
Cost of sales		<u>702,933</u>	<u>5,256,783</u>
GROSS PROFIT		5,904,983	2,973,629
Administrative expenses		<u>1,216,940</u>	<u>1,406,239</u>
		4,688,043	1,567,390
Other operating income		<u>1,407,499</u>	<u>1,382,182</u>
GROUP OPERATING PROFIT	4	6,095,542	2,949,572
Share of operating profit in Associate		1,870,103	2,482,300
Interest receivable and similar income			
Group		53,545	48,765
Associate		<u>31,506</u>	<u>30,127</u>
		85,051	78,892
		<u>8,050,696</u>	<u>5,510,764</u>
		8,050,696	5,510,764
Interest payable and similar expenses			
Group	5	(51,807)	(4,553)
Associate		<u>-</u>	<u>(5)</u>
PROFIT BEFORE TAXATION		7,998,889	5,506,206
Tax on profit	6	<u>1,732,728</u>	<u>1,277,368</u>
PROFIT FOR THE FINANCIAL YEAR		<u>6,266,161</u>	<u>4,228,838</u>
Profit attributable to:			
Owners of the parent		<u>6,266,161</u>	<u>4,228,838</u>

The notes form part of these financial statements

Salmon Developments Limited

Consolidated Other Comprehensive Income
for the Year Ended 31st December 2016

Notes	31.12.16 £	31.12.15 £
PROFIT FOR THE YEAR	6,266,161	4,228,838
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>6,266,161</u>	<u>4,228,838</u>
Total comprehensive income attributable to: Owners of the parent	<u>6,266,161</u>	<u>4,228,838</u>

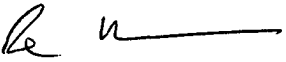
The notes form part of these financial statements

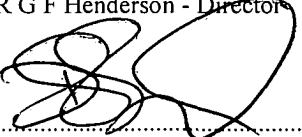
Salmon Developments Limited (Registered number: 02424275)

Consolidated Balance Sheet
31st December 2016

	Notes	31.12.16		31.12.15	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		18,386		20,581
Investments	10				
Interest in associate			<u>3,008,385</u>		<u>3,143,072</u>
			3,026,771		3,163,653
 CURRENT ASSETS					
Debtors	11	1,327,390		1,779,198	
Cash at bank		<u>15,461,060</u>		<u>8,660,412</u>	
			16,788,450		10,439,610
CREDITORS					
Amounts falling due within one year	12	<u>2,581,588</u>		<u>2,043,391</u>	
 NET CURRENT ASSETS			<u>14,206,862</u>		<u>8,396,219</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,233,633</u>		<u>11,559,872</u>
 CAPITAL AND RESERVES					
Called up share capital	15		11,833		11,833
Capital redemption reserve	16		41,980		41,980
Retained earnings	16		<u>17,179,820</u>		<u>11,506,059</u>
 SHAREHOLDERS' FUNDS			<u>17,233,633</u>		<u>11,559,872</u>

The financial statements were authorised for issue by the Board of Directors on 19th Feb 2017 and were signed on its behalf by:


.....
R G F Henderson - Director


.....
D J Stewart - Director

The notes form part of these financial statements

Salmon Developments Limited (Registered number: 02424275)

Company Balance Sheet

31st December 2016

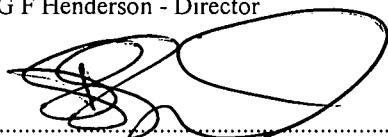
	Notes	31.12.16		31.12.15	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		18,386		20,581
Investments	10		<u>2,000,001</u>		<u>2,000,052</u>
			2,018,387		2,020,633
CURRENT ASSETS					
Debtors	11	1,327,390		1,778,385	
Cash at bank		<u>14,459,958</u>		<u>7,354,735</u>	
		15,787,348		9,133,120	
CREDITORS					
Amounts falling due within one year	12	<u>2,219,209</u>		<u>1,031,836</u>	
NET CURRENT ASSETS			<u>13,568,139</u>		<u>8,101,284</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,586,526</u>		<u>10,121,917</u>
CAPITAL AND RESERVES					
Called up share capital	15		11,833		11,833
Capital redemption reserve	16		41,980		41,980
Retained earnings	16		<u>15,532,713</u>		<u>10,068,104</u>
SHAREHOLDERS' FUNDS			<u>15,586,526</u>		<u>10,121,917</u>
Company's profit for the financial year			<u>6,057,009</u>		<u>3,798,649</u>

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

19th April 2017 and were signed on



.....
R G F Henderson - Director



.....
D J Stewart - Director

The notes form part of these financial statements

Salmon Developments Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31st December 2016

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1st January 2015	11,833	7,397,221	41,980	7,451,034
Changes in equity				
Dividends	-	(120,000)	-	(120,000)
Total comprehensive income	-	<u>4,228,838</u>	-	<u>4,228,838</u>
Balance at 31st December 2015	<u>11,833</u>	<u>11,506,059</u>	<u>41,980</u>	<u>11,559,872</u>
Changes in equity				
Dividends	-	(592,400)	-	(592,400)
Total comprehensive income	-	<u>6,266,161</u>	-	<u>6,266,161</u>
Balance at 31st December 2016	<u><u>11,833</u></u>	<u><u>17,179,820</u></u>	<u><u>41,980</u></u>	<u><u>17,233,633</u></u>

The notes form part of these financial statements

Salmon Developments Limited

Company Statement of Changes in Equity
for the Year Ended 31st December 2016

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1st January 2015	11,833	6,389,455	41,980	6,443,268
Changes in equity				
Dividends	-	(120,000)	-	(120,000)
Total comprehensive income	-	<u>3,798,649</u>	-	<u>3,798,649</u>
Balance at 31st December 2015	<u>11,833</u>	<u>10,068,104</u>	<u>41,980</u>	<u>10,121,917</u>
Changes in equity				
Dividends	-	(592,400)	-	(592,400)
Total comprehensive income	-	<u>6,057,009</u>	-	<u>6,057,009</u>
Balance at 31st December 2016	<u><u>11,833</u></u>	<u><u>15,532,713</u></u>	<u><u>41,980</u></u>	<u><u>15,586,526</u></u>

The notes form part of these financial statements

Salmon Developments Limited

Consolidated Cash Flow Statement
for the Year Ended 31st December 2016

	Notes	31.12.16 £	31.12.15 £
Cash flows from operating activities			
Cash generated from operations	19	6,650,602	4,044,584
Interest paid		-	(5)
Tax paid		<u>(1,623,756)</u>	<u>(147,460)</u>
Net cash from operating activities		<u>5,026,846</u>	<u>3,897,119</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(4,079)	(13,376)
Interest received		69,929	40,599
Amounts received from associate		<u>2,180,352</u>	<u>863,624</u>
Net cash from investing activities		<u>2,246,202</u>	<u>890,847</u>
 Cash flows from financing activities			
Preference dividends paid		-	(600,000)
Equity dividends paid		<u>(472,400)</u>	<u>-</u>
Net cash from financing activities		<u>(472,400)</u>	<u>(600,000)</u>
 Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	20	8,660,412	4,472,446
Cash and cash equivalents at end of year	20	<u>15,461,060</u>	<u>8,660,412</u>

The notes form part of these financial statements

Salmon Developments Limited

Notes to the Consolidated Financial Statements
for the Year Ended 31st December 2016

1. **STATUTORY INFORMATION**

Salmon Developments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Company information

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

The financial statements are prepared in Pound Sterling which is the functional currency of the company.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the group has the adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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 valuation of investments for which the revalued amount remains in an undistributable reserve.

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.

Turnover

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 lease end.

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

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over their estimated useful lives as follows:

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

Investments

Investments in group undertakings, associates and participating interests are recognised at cost less accumulated impairment losses.

Debtors

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

Cash and cash equivalents

For the purposes of the cash flow statement, cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk to changes 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.

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.

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

2. **ACCOUNTING POLICIES - continued**

Pension costs and other post-retirement benefits

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

Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings up to 31 December each year.

Associated undertakings and joint ventures are included in the group financial statements on the equity accounting basis. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation

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.

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.

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

3. **EMPLOYEES AND DIRECTORS**

	31.12.16	31.12.15
	£	£
Wages and salaries	627,369	779,730
Social security costs	83,440	97,837
Other pension costs	<u>20,963</u>	<u>80,000</u>
	<u>731,772</u>	<u>957,567</u>

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

	31.12.16	31.12.15
Directors	5	5
Administration	<u>4</u>	<u>4</u>
	<u>9</u>	<u>9</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 9.

	31.12.16	31.12.15
	£	£
Directors' remuneration	473,118	638,816
Directors' pension contributions to money purchase schemes	<u>20,000</u>	<u>80,000</u>

Information regarding the highest paid director is as follows:

	31.12.16	31.12.15
	£	£
Emoluments etc	170,000	209,118
Pension contributions to money purchase schemes	<u>-</u>	<u>40,000</u>

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.16	31.12.15
	£	£
Depreciation - owned assets	6,274	10,129
Loss on disposal of fixed assets	-	500
Auditors' remuneration	19,300	19,650
Hire of equipment	-	6,128
Other operating lease costs	<u>188,931</u>	<u>183,713</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.16	31.12.15
	£	£
Interest on late payment of dividend	<u>51,807</u>	<u>4,553</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

6. **TAXATION**

Analysis of the tax charge

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

	31.12.16	31.12.15
	£	£
Current tax:		
UK corporation tax	1,732,728	1,277,443
Adjustments to previous year	<u>-</u>	<u>(75)</u>
Tax on profit	<u>1,732,728</u>	<u>1,277,368</u>

Reconciliation of total tax 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:

	31.12.16	31.12.15
	£	£
Profit before tax	<u>7,998,889</u>	<u>5,506,206</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.247%)	1,599,778	1,114,842
Effects of:		
Expenses not deductible for tax purposes	6,912	7,838
Income not taxable for tax purposes	(109,017)	(43,714)
Depreciation in excess of capital allowances	123	309
Adjustment in respect of associated undertaking	234,944	198,130
Differences in group tax rates	<u>(12)</u>	<u>(37)</u>
Total tax charge	<u>1,732,728</u>	<u>1,277,368</u>

7. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. **DIVIDENDS**

	31.12.16	31.12.15
	£	£
Participating preference shares of £1 each		
Final dividend	<u>120,000</u>	<u>120,000</u>
Equity dividends on ordinary share		
2015 Final dividend	352,000	-
Interim dividend	<u>120,400</u>	<u>-</u>
	<u>472,400</u>	<u>-</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

9. **TANGIBLE FIXED ASSETS**

Group

	Improvements to property £	Office equipment £	Computer equipment £	Totals £
COST				
At 1st January 2016	7,830	63,606	18,759	90,195
Additions	<u>-</u>	<u>-</u>	<u>4,079</u>	<u>4,079</u>
At 31st December 2016	<u>7,830</u>	<u>63,606</u>	<u>22,838</u>	<u>94,274</u>
DEPRECIATION				
At 1st January 2016	1,424	56,308	11,882	69,614
Charge for year	<u>801</u>	<u>1,824</u>	<u>3,649</u>	<u>6,274</u>
At 31st December 2016	<u>2,225</u>	<u>58,132</u>	<u>15,531</u>	<u>75,888</u>
NET BOOK VALUE				
At 31st December 2016	<u>5,605</u>	<u>5,474</u>	<u>7,307</u>	<u>18,386</u>
At 31st December 2015	<u>6,406</u>	<u>7,298</u>	<u>6,877</u>	<u>20,581</u>

Company

	Improvements to property £	Office equipment £	Computer equipment £	Totals £
COST				
At 1st January 2016	7,830	63,606	18,759	90,195
Additions	<u>-</u>	<u>-</u>	<u>4,079</u>	<u>4,079</u>
At 31st December 2016	<u>7,830</u>	<u>63,606</u>	<u>22,838</u>	<u>94,274</u>
DEPRECIATION				
At 1st January 2016	1,424	56,308	11,882	69,614
Charge for year	<u>801</u>	<u>1,824</u>	<u>3,649</u>	<u>6,274</u>
At 31st December 2016	<u>2,225</u>	<u>58,132</u>	<u>15,531</u>	<u>75,888</u>
NET BOOK VALUE				
At 31st December 2016	<u>5,605</u>	<u>5,474</u>	<u>7,307</u>	<u>18,386</u>
At 31st December 2015	<u>6,406</u>	<u>7,298</u>	<u>6,877</u>	<u>20,581</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

10. **FIXED ASSET INVESTMENTS**

Group

	Interest in associate £
COST	
At 1st January 2016	3,143,072
Share of profit/(loss)	<u>(134,687)</u>
At 31st December 2016	<u>3,008,385</u>
NET BOOK VALUE	
At 31st December 2016	<u>3,008,385</u>
At 31st December 2015	<u>3,143,072</u>

Interest in associate

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

	31.12.16 £	31.12.15 £
Profit before tax	1,286,009	1,694,789
Taxation	(260,008)	(332,069)
Profit after tax	<u>1,026,001</u>	<u>1,362,720</u>
Share of assets		
Fixed assets	750,172	750,172
Current assets	28,032,443	22,485,359
Share of liabilities		
Share of liabilities due within one year	(26,184,634)	(20,637,550)
Share of liabilities due after one year or more	-	-
Share of net assets	<u>2,597,981</u>	<u>2,597,981</u>

Company

	Shares in group undertakings £	Interest in associate £	Totals £
COST			
At 1st January 2016	52	2,000,000	2,000,052
Disposals	<u>(51)</u>	<u>-</u>	<u>(51)</u>
At 31st December 2016	<u>1</u>	<u>2,000,000</u>	<u>2,000,001</u>
NET BOOK VALUE			
At 31st December 2016	<u>1</u>	<u>2,000,000</u>	<u>2,000,001</u>
At 31st December 2015	<u>52</u>	<u>2,000,000</u>	<u>2,000,052</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

10. **FIXED ASSET INVESTMENTS - continued**

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

Subsidiaries

Salmon Properties Ltd

Registered office:

Nature of business: Property development

	%		
Class of shares:	holding	31.12.16	31.12.15
Ordinary	100.00	£	£
Aggregate capital and reserves		638,723	294,935
Profit for the year		<u>1,343,788</u>	<u>2,365,750</u>

On 20th September 2016 Salcim Limited, a dormant subsidiary of the company was voluntarily dissolved.

Associated company

Salmon Harvester Properties Limited

Registered office:

Nature of business: Property development

	%		
Class of shares:	holding	31.12.16	31.12.15
'B' Ordinary	50.00	£	£
Aggregate capital and reserves		5,195,618	5,195,618
Profit for the year		<u>2,052,001</u>	<u>2,725,440</u>

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

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

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Trade debtors	-	450	-	450
Amounts owed by associates	1,231,201	1,635,264	1,231,201	1,635,264
Other debtors	4,192	4,520	4,192	3,707
Prepayments and accrued income	<u>91,997</u>	<u>138,964</u>	<u>91,997</u>	<u>138,964</u>
	<u>1,327,390</u>	<u>1,779,198</u>	<u>1,327,390</u>	<u>1,778,385</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

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

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Trade creditors	1,721	412,219	1,721	9,465
Corporation tax	794,338	945,374	621,290	344,798
Social security and other taxes	1,160,599	85,601	976,166	80,951
Dividends payable	240,000	120,000	240,000	120,000
Accruals and deferred income	<u>384,930</u>	<u>480,197</u>	<u>380,032</u>	<u>476,622</u>
	<u>2,581,588</u>	<u>2,043,391</u>	<u>2,219,209</u>	<u>1,031,836</u>

13. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

At 31st December 2016 the company had commitments to pay the following amounts under non-cancellable operating leases for the following periods:

Group and the company	Operating leases	
	31.12.16	31.12.15
	£	£
Within one year	173,160	174,391
Between one and five years	<u>37,863</u>	<u>211,023</u>
	<u>211,023</u>	<u>385,414</u>

At 31st December 2016 the company had commitments to receive the following amounts under non-cancellable operating leases for the following periods:

Group and the company	Operating leases	
	31.12.16	31.12.15
	£	£
Within one year	167,220	166,118
Between one and five years	<u>29,850</u>	<u>162,613</u>
	<u>197,070</u>	<u>328,731</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

14. FINANCIAL INSTRUMENTS

Group

	31.12.16	31.12.15
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	15,461,060	8,660,412
Financial assets that are debt instruments measured at amortised cost	<u>1,235,393</u>	<u>1,640,234</u>
	<u><u>16,696,453</u></u>	<u><u>10,300,646</u></u>
 Financial liabilities		
Financial liabilities measured at amortised cost	<u>(626,651)</u>	<u>(1,012,416)</u>
	<u><u>(626,651)</u></u>	<u><u>(1,012,416)</u></u>

Company

	31.12.16	31.12.15
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	14,459,958	7,354,735
Financial assets that are debt instruments measured at amortised cost	<u>1,235,393</u>	<u>1,639,421</u>
	<u><u>15,695,351</u></u>	<u><u>8,994,156</u></u>
 Financial liabilities		
Financial liabilities measured at amortised cost	<u>(621,753)</u>	<u>(606,087)</u>
	<u><u>(621,753)</u></u>	<u><u>(606,087)</u></u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
			31.12.16 31.12.15
			£ £
270	Participating preference shares	£1	<u>270</u> <u>270</u>
Allotted and issued:			
Number:	Class:	Nominal value:	
			31.12.16 31.12.15
			£ £
50,000	Ordinary shares	£1	<u>11,563</u> <u>11,563</u>

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

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

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

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

16. **RESERVES**

Group

	Retained earnings £	Capital redemption reserve £	Totals £
At 1st January 2016	11,506,059	41,980	11,548,039
Profit for the year	6,266,161		6,266,161
Dividends	<u>(592,400)</u>		<u>(592,400)</u>
At 31st December 2016	<u>17,179,820</u>	<u>41,980</u>	<u>17,221,800</u>

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1st January 2016	10,068,104	41,980	10,110,084
Profit for the year	6,057,009		6,057,009
Dividends	<u>(592,400)</u>		<u>(592,400)</u>
At 31st December 2016	<u>15,532,713</u>	<u>41,980</u>	<u>15,574,693</u>

17. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

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

At the year end, interest included in accruals on the dividends outstanding amounts to £215,184 (2015: £172,971) owed to D J Stewart and £48,906 (2015: £39,312) owed to R F Henderson.

During the year, dividends on ordinary shares of £236,200 were paid to R F Henderson and D J Stewart, both directors of the company.

During the year D Mapp, a director, provided consultancy services to the company to the value of £30,149 (2015: £32,808).

Salmon Developments Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st December 2016

18. **RELATED PARTY DISCLOSURES - continued**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

	31.12.16	31.12.15
	£	£
Companies over which the entity has control, joint control or significant influence:		
Included in the profit and loss account		
Management fee	1,231,201	1,635,264
Contribution to management costs	1,189,548	1,189,548
Dividend receivable	545,087	215,906
Salary contributions receivable	37,407	37,760
Rental income	35,000	35,000
Included within debtors		
Amounts owed from associated undertaking	1,231,201	1,635,264

19. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.16	31.12.15
	£	£
Profit before taxation	7,998,889	5,506,206
Depreciation charges	6,274	10,129
Share of profit in associates	(1,870,103)	(2,482,300)
Disposal of fixed asset investments	-	514
Finance costs	51,807	4,558
Finance income	<u>(85,051)</u>	<u>(78,892)</u>
	6,101,816	2,960,215
Decrease in stocks	-	432,417
Decrease in trade and other debtors	31,360	132,785
Increase in trade and other creditors	<u>517,426</u>	<u>519,167</u>
Cash generated from operations	<u><u>6,650,602</u></u>	<u><u>4,044,584</u></u>

20. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u><u>15,461,060</u></u>	<u><u>8,660,412</u></u>

Year ended 31st December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u><u>8,660,412</u></u>	<u><u>4,472,446</u></u>