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Report of the Directors and

Consolidated Financial Statements for the Year Ended 31st December 2009

for

Salmon Developments Plc

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Salmon Developments Plc

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for the Year Ended 31st December 2009

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Salmon Developments Plc

Company Information

DIRECTORS:	D Mapp - Non executive chairman J D Foord R F Henderson S K Kuntze P Skottowe D J Stewart
SECRETARY:	J D Foord
REGISTERED OFFICE:	46 Mount Street London W1K 2HH
REGISTERED NUMBER:	2424275
AUDITORS:	Meyer Williams Queen Alexandra House Bluecoats Avenue Hertford Herts SG14 1PB REGISTERED AUDITOR

Salmon Developments Plc

Report of the Directors
for the Year Ended 31st December 2009

The directors present their report with the financial statements of the company and the group for the year ended 31st December 2009

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

Despite current market conditions the directors' are satisfied that the year end balance sheet shows a financially strong and stable position

Throughout the year Salmon Developments Plc as a company was profitable and reported a profit before taxes and dividends of £36,794, whilst the consolidated results for the group show an overall loss before tax and dividends of £285,960

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

DIVIDENDS

The directors do not recommend the payment of a final dividend on the ordinary shares A fixed cumulative preferential dividend totalling £120,000 is proposed to be paid to the holders of participating preferred ordinary shares

DIRECTORS

The directors during the year under review were

D Mapp	- Non executive chairman
D J Stewart	- Executive chairman
R F Henderson	
S K Kuntze	
P Skottowe	
J D Foord	- appointed 18 March 2009

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

PRINCIPAL RISKS AND UNCERTAINTIES – continued

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 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

CREDITORS PAYMENT POLICY

Trade creditors are settled in accordance with their agreed payment terms During the year ended 31st December 2009 the proportion, in days, of trade creditors that related to invoices in the period was calculated to be seven

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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

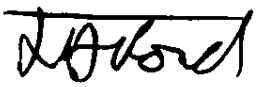
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

AUDITORS

A resolution to re-appoint Meyer Williams will be put to the members at the Annual General Meeting

ON BEHALF OF THE BOARD:



J D Foord - DIRECTOR

Dated 28th April 2010

Report of the Independent Auditors to the Shareholders of Salmon Developments Plc

We have audited the group and company financial statements of Salmon Developments Plc for the year ended 31st December 2009 on pages five to nineteen 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)

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 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 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

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the group and company's affairs as at 31 December 2009 and of its group 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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

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, 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

J L Meyer (Senior Statutory Auditor)
for and on behalf of Meyer Williams
Chartered Accountants
& Registered Auditors
Queen Alexandra House
2 Bluecoats Avenue
Hertford
Hertfordshire
SG14 1PB

Date 14th May 2010

Salmon Developments Plc

Consolidated Profit and Loss Account
for the Year Ended 31st December 2009

	Notes	31.12.09 £	31 12 08 £
TURNOVER		**3,391,588**	6,567,657
Less share of joint venture		**(2,783,860)**	(1,232,641)
Less share of associate		**(467,728)**	(4,747,875)
GROUP TURNOVER		**140,000**	587,141
Cost of sales		**(25,000)**	-
GROSS PROFIT		**115,000**	587,141
Other operating income		**937,732**	887,500
		1,052,732	1,474,641
Administrative expenses		**(1,008,706)**	(1,131,415)
OPERATING PROFIT	3	**44,026**	343,226
Share of joint venture's operating profit/(loss)		**31,583**	(4,915)
Share of associate's operating loss		**(384,724)**	(462,567)
		(309,115)	(124,256)
Interest receivable and similar income	4	**35,831**	162,322
		(273,284)	38,066
Interest payable and similar charges	5	**(12,676)**	(29,210)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**(285,960)**	8,856
Tax charge on profit on ordinary activities	6	**108,698**	(64,925)
LOSS FOR THE FINANCIAL YEAR	8	**(177,262)**	(56,069)

CONTINUING OPERATIONS
None of the group's activities were acquired or discontinued during the current and previous years

TOTAL RECOGNISED GAINS AND LOSSES
The group has no recognised gains or losses other than the profits for the current and previous years

The notes form part of these financial statements

Salmon Developments Plc

Consolidated Balance Sheet
31st December 2009

	Notes	31.12.09 £	31.12.09 £	31 12 08 £	31 12 08 £
FIXED ASSETS:					
Tangible assets	9		**50,781**		64,253
Investments	10		**2,634,229**		2,827,864
			2,685,010		2,892,117
CURRENT ASSETS:					
Debtors	11	**161,922**		201,664	
Cash at bank and in hand		**1,051,440**		1,036,807	
		1,213,362		1,238,471	
CREDITORS: Amounts falling due within one year	12	**(850,865)**		(785,819)	
NET CURRENT ASSETS:			**362,497**		452,652
TOTAL ASSETS LESS CURRENT LIABILITIES:			**3,047,507**		3,344,769
CAPITAL AND RESERVES:					
Called up share capital	14		**12,770**		12,770
Profit and loss account	15		**2,820,258**		3,117,520
Revaluation reserve	16		**176,249**		176,249
Capital redemption reserve	17		**38,230**		38,230
SHAREHOLDERS' FUNDS (including non-equity interests):	21		**3,047,507**		3,344,769

SIGNED ON BEHALF OF THE BOARD.

R F Henderson - DIRECTOR

D J Stewart - DIRECTOR

Approved by the Board on 28th April 2010

The notes form part of these financial statements

Salmon Developments Plc

Company Balance Sheet
31st December 2009

	Note	31.12.09 £	31.12.09 £	31 12 08 £	31 12 08 £
FIXED ASSETS:					
Tangible assets	9		**50,781**		64,253
Investments	10		**2,353,052**		2,353,052
			2,403,833		2,417,305
CURRENT ASSETS:					
Debtors	11	**161,922**		201,664	
Cash at bank and in hand		**1,051,440**		1,036,807	
		1,213,362		1,238,471	
CREDITORS: Amounts falling due within one year	12	**(1,170,868)**		(1,105,822)	
NET CURRENT ASSETS:			**42,494**		132,649
TOTAL ASSETS LESS CURRENT LIABILITIES:			**2,446,327**		2,549,954
CAPITAL AND RESERVES:					
Called up share capital	14		**12,770**		12,770
Profit and loss account	15		**2,219,078**		2,322,705
Revaluation reserve	16		**176,249**		176,249
Capital redemption reserve	17		**38,230**		38,230
SHAREHOLDERS' FUNDS (including non-equity interests):	21		**2,446,327**		2,549,954

SIGNED ON BEHALF OF THE BOARD:

R F Henderson - DIRECTOR

D J Stewart - DIRECTOR

Approved by the Board on 28th April 2010

The notes form part of these financial statements

Salmon Developments Plc

Consolidated Cash Flow Statement
for the Year Ended 31st December 2009

	Notes	31.12.09	31 12 08
		£	£
Net cash inflow from operating activities	1	**125,887**	136,634
Income from shares in associated undertaking		**-**	186,574
Returns on investments and servicing of finance	2	**(7,232)**	15,150
Taxation		**(99,082)**	10,614
Capital expenditure	2	**(4,940)**	(11,286)
Dividends paid		**-**	(120,000)
Increase in cash in the period		**14,633**	217,686
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the period	3	**14,633**	217,686
Change in net funds resulting from cash flows		**14,633**	217,686
Movement in net funds in the period		**14,633**	217,686
Net funds at 1st January 2009		**1,036,807**	819,121
Net funds at 31st December 2009		**1,051,440**	1,036,807

The notes form part of these financial statements

Salmon Developments Plc

Notes to the Cash Flow Statement
for the Year Ended 31st December 2009

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.09 £	31 12 08 £
Operating profit	44,025	343,226
Depreciation charges	18,412	23,283
Decrease in debtors	39,742	25,036
Increase/(Decrease) in creditors	23,708	(254,911)
Net cash inflow from operating activities	125,887	136,634

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

	31.12.09 £	31 12 08 £
Returns on investments and servicing of finance		
Interest received	5,444	44,360
Interest paid	(12,676)	(29,210)
Net cash (outflow)/inflow for returns on investments and servicing of finance	(7,232)	15,150
Capital expenditure		
Purchase of tangible fixed assets	(4,940)	(11,286)
Net cash outflow for capital expenditure	(4,940)	(11,286)

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.09 £	Cash flow £	At 31.12.09 £
Net cash			
Cash at bank and in hand	1,036,807	14,633	1,051,440
Total	1,036,807	14,633	1,051,440
Analysed in balance sheet			
Cash at bank and in hand	1,036,807		1,051,440

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of a fixed asset investment, and comply with all applicable accounting standards

Basis of consolidation

The group financial statements comprise a consolidation of the financial statements of the holding company and its subsidiary undertakings for the year ended 31 December 2009

Associated undertakings and joint ventures are included in the group financial statements on the equity accounting basis

In accordance with Section 408 of the Companies Act 2006, the company has elected not to present its own profit and loss account

Turnover

Turnover represents the amounts receivable in respect of the provision of services, excluding value added tax which fall within the company's ordinary activities

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Office equipment	- 25% reducing balance
Computer equipment	- 33 3% reducing balance
Improvements to leasehold property	- 12 5% reducing balance

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date except those relating to revalued assets

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account evenly over the period of the lease

Cash and liquid resources

For the purposes of the cash flow statement, cash and liquid resources are defined as cash at bank and in hand and bank overdraft balances

Investments

Investments are included in the company balance sheet at cost less provisions required for diminution in value

2 STAFF COSTS

	31.12.09	31 12 08
	£	£
Wages and salaries	703,697	760,338
Social security costs	81,066	87,906
	784,763	848,244

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

	31.12.09	31 12 08
Management	6	5
Administration	6	5
	12	10

3 OPERATING PROFIT

The operating profit is stated after charging

	31.12.09	31 12 08
	£	£
Depreciation	18,413	23,283
Hire of plant and machinery	9,278	8,431
Other operating lease costs	120,745	109,646
Auditors' remuneration – current year	13,500	13,000
Auditors' remuneration – overprovision re earlier year	-	(2,500)
Auditors' remuneration – non audit services	-	4,157
Directors' emoluments	548,176	523,962

Information regarding the highest paid director is as follows

	31.12.09	31 12 08
	£	£
Emoluments	164,024	168,678

4 INTEREST RECEIVABLE

	31.12.09	31 12 08
	£	£
Bank interest receivable	5,444	43,895
Interest received on tax payment	-	464
Share of Joint ventures and Associates	30,387	117,963
	35,831	162,322

5 INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.09	31 12 08
	£	£
Interest payable on late payment of dividends	12,676	29,210
	12,676	29,210

6 TAXATION

Analysis of the tax refund
The tax charge on the profit on ordinary activities for the year was as follows

	31.12.09 £	31 12 08 £
Current tax		
UK corporation tax	10,302	88,963
Over provision in respect of earlier years	10,119	(10,614)
Share of associates overprovision/tax refund	(29,834)	(14,463)
Share of joint ventures liability	3	1,039
Current tax (refund)/charge on (loss)/profit on ordinary activities	(9,410)	64,925
Deferred tax	(99,288)	-
Tax on (loss)/profit on ordinary activities	(108,698)	64,925

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK The difference is explained below

	31.12.09 £	31 12 08 £
(Loss)/profit on ordinary activities before tax	(285,960)	8,856
Profit on ordinary activities multiplied by the small companies rate of corporation tax in the UK of 21% (2008 – 28%)	(60,051)	2,480
Effects of		
Adjustments in respect of prior periods	(20,754)	(10,614)
Additional relief available	(13,973)	-
Marginal relief available	-	(21,538)
Expenses not deductible for tax purposes	9,337	6,390
Depreciation in excess of capital allowances	-	1,838
Adjustments in respect of associate	98,278	84,441
Change in taxation rates	(22,247)	1,928
Current tax charge	(9,410)	64,925

7 DIVIDENDS

	31.12.09 £	31 12 08 £
Non equity shares		
Participating preferred shares	120,000	120,000

Dividends payable in note 11 also include arrears of £120,000 from 2008, 2005, and 2004, and £118,685 from 2002

8 LOSS FOR THE FINANCIAL YEAR

	31.12.09	31 12 08
	£	£
This is reported in the accounts of		
Salmon Developments Plc	16,373	42,552
Subsidiaries	-	(42,386)
Associate	(225,480)	(60,205)
Joint venture	31,845	3,970
	(177,262)	(56,069)

9 TANGIBLE FIXED ASSETS

The Group and the Company

	Improvements to leasehold property	Office equipment	Computer equipment	Totals
		£	£	£
COST:				
At 1st January 2009	8,123	64,761	65,055	137,939
Additions	-	290	4,650	4,940
At 31st December 2009	8,123	65,051	69,705	142,879
DEPRECIATION:				
At 1st January 2009	1,238	26,524	45,924	73,686
Charge for year	861	9,632	7,919	18,412
At 31st December 2009	2,099	36,156	53,843	92,098
NET BOOK VALUE:				
At 31st December 2009	6,024	28,895	15,862	50,781
At 31st December 2008	6,885	38,237	19,131	64,253

10 FIXED ASSET INVESTMENTS

The Group

	Shares in associate and joint venture	Share of profits and losses of associate and joint venture	Totals
	£	£	£
COST:			
At 1st January 2009	2,403,509	424,355	2,827,864
Movement in the year	-	(193,635)	(193,635)
At 31st December 2009	2,403,509	230,720	2,634,229

10 **FIXED ASSET INVESTMENTS - continued**

Investment in associated undertaking
The consolidated financial statements include the following associated undertaking using the equity method

Salmon Harvester Properties Limited
Nature of business Property developer
Class of shares
Ordinary 50 00 %

The aggregate of the group's share of associate's assets and liabilities are as follows

	31.12.09	31 12 08
	£	£
Turnover	467,727	4,747,875
Loss before tax	(354,602)	(74,668)
Taxation	(129,122)	(14,463)
Loss after tax	(225,480)	(60,205)
Fixed asset investments	257,473	1,429
Current assets	24,120,542	21,881,310
Liabilities due within one year	17,892,857	13,897,893
Liabilities due after more than one year	3,887,452	5,161,659

Investment in joint venture
The consolidated financial statements include the following joint venture using the equity method

Salmon Aker Limited
Nature of business Property developer
Class of shares
Ordinary 'A' shares 50 00 %

The aggregate of the group's share of associate's assets and liabilities are as follows

	31.12.09	31 12 08
	£	£
Turnover	2,783,861	1,232,641
Profit before tax	31,849	5,009
Taxation	3	1,039
Profit after tax	31,846	3,970
Current assets	208,022	1,505,846
Liabilities due within one year	206,500	1,501,169

10 **FIXED ASSET INVESTMENTS - continued**

The Company

	Shares in subsidiaries	Shares in associate and joint venture	Loan to subsidiary	Totals
	£	£	£	£
COST OR VALUATION:				
At 1st January 2009 and 31st December 2009	52	2,000,500	352,500	2,353,052

Shares in subsidiaries:
The company's investments at the balance sheet date in the share capital of unlisted companies include the following

Salmon Properties Limited
Nature of business Non trading

Class of shares	% holding
Ordinary	100 00

Salcim Limited
Nature of business Non trading

Class of shares	% holding
Ordinary	100 00

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

The Group and the Company

	31.12.09	31 12 08
	£	£
Trade debtors	117,156	2,244
Other debtors	5,777	5,829
Amounts owed from associated undertakings	5,989	151,153
Prepayments and accrued income	33,000	42,438
	161,922	201,664

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The Group	**31.12.09**	31 12 08
	£	£
Trade creditors	**6,063**	18,585
Dividends proposed	**598,685**	478,685
Corporation tax	**10,302**	88,963
Social security and other taxes	**72,120**	60,873
Accruals and deferred income	**163,695**	138,713
	850,865	785,819

The Company	**31.12.09**	31 12 08
	£	£
Trade creditors	**6,063**	18,585
Amounts owed to subsidiaries	**320,003**	320,003
Dividends proposed	**598,685**	478,685
Corporation tax	**10,302**	88,963
Social security and other taxes	**72,120**	60,873
Accruals and deferred income	**163,695**	138,713
	1,170,868	1,105,822

13 OBLIGATIONS UNDER LEASING AGREEMENTS

The group has the following payments committed to be paid within one year

	Operating leases			
	Land and Buildings		**Other**	
	31.12.09	31 12 08	**31.12.09**	31 12 08
	£	£	**£**	£
Expiring				
Less than 1 year	**105,000**	-	**-**	-
Between 2 – 5 years	**-**	105,000	**6,499**	6,499

14 CALLED UP SHARE CAPITAL

Issued Number	Class	Nominal value	31.12.09 £	31 12 08 £
50,000	Ordinary shares (25p paid)	£1	12,500	12,500
270	Participating preferred shares	£1	270	270
			12,770	12,770

The interests of the participating preferred shareholders have been classified as non equity

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

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

15 PROFIT AND LOSS ACCOUNT

	Group £	Company £
As at 1st January 2009	3,117,520	2,322,705
(Loss)/Profit for the year	(177,262)	16,373
Dividends	(120,000)	(120,000)
As at 31st December 2009	2,820,258	2,219,078

16 REVALUATION RESERVE

The Group and the Company	Group £	Company £
As at 1st January 2009 and 31st December 2009	176,249	176,249

17 CAPITAL REDEMPTION RESERVE

The Group and the Company	Group	Company
	£	£
As at 1st January 2009 and 31st December 2009	**38,230**	**38,230**

18 ULTIMATE CONTROLLING PARTY

There has been no ultimate controlling party of the group throughout the current or preceding year

19 RELATED PARTY DISCLOSURES

The group and the company has taken advantage of the exemptions provided by Financial Reporting Standard 8 and has not reported transactions and balances with other group companies that are eliminated upon consolidation

During the year, Salmon Developments Plc entered into the following transactions with its associated undertaking and its joint venture

	31.12.09	31 12 08
	£	£
Salmon Harvester Properties Limited		
Included within profit and loss account		
Management fees receivable	-	559,721
Project management fees	-	22,420
Contribution to management costs	**933,750**	887,500
Dividend receivable	-	186,574
Salary contributions receivable	**43,863**	37,530
Rental income	**20,000**	20,000
Included within debtors		
Amounts owed from associated undertaking	**5,750**	1,153
Salmon Aker Limited		
Included within income		
Project management fees	**5,000**	5,000
Included within debtors		
Amounts owed from associated undertaking	**239**	150,000

20 TRANSACTIONS WITH DIRECTORS

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

During the year interest on preference dividends accrued in 2009 was paid, amounting to £13,675, with £2,847 paid to R F Henderson and £10,828 paid to D J Stewart Also paid in the year were consultancy fees of £20,318 (2008 £ 20,085) to D Mapp

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

The Group	**31.12.09**	31 12 08
	£	£
Loss for the financial year	**(177,262)**	(56,069)
Dividends	**(120,000)**	(120,000)
Net decrease to shareholders' funds	**(297,262)**	(176,069)
Opening shareholders' funds	**3,344,769**	3,520,838
Closing shareholders' funds	**3,047,507**	3,344,769
Equity interests	**3,047,237**	3,344,499
Non-equity interests	**270**	270
	3,047,507	3,344,769

The Company	**31.12.09**	31 12 08
	£	£
Profit for the financial year	**16,373**	508,987
Dividends	**(120,000)**	(120,000)
Net (decrease)/increase to shareholders' funds	**(103,627)**	388,987
Opening shareholders' funds	**2,549,954**	2,160,967
Closing shareholders' funds	**2,446,327**	2,549,954
Equity interests	**2,446,057**	2,549,684
Non-equity interests	**270**	270
	2,446,327	2,549,954

22 DEFERRED TAX

The Group and the Company	**31.12.09**	31 12 08
	£	£
The total potential liability, none of which has been provided for in these financial statements, is as follows		
Revaluation of investment	**52,875**	52,875