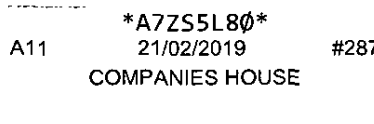


**BRAEMAR GROUP LIMITED**

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**Company number: 05084921**

THU	FRIDAY		*A819WJXF*	
			A25	15/03/2019 #197
			COMPANIES HOUSE	
THU	FRIDAY		*A7ZS5L80*	
			A11	21/02/2019 #287
			COMPANIES HOUSE	

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**Company Information**

**Secretary**

The secretaries of the Company who were in office during the year and up to the date of signing of the financial statements were:

L Cook (appointed 23 March 2018)  
K J Utkur (resigned 21 August 2018)

**Directors**

The directors of the Company who were in office during the year and up to the date of signing of the financial statements were:

J D Agar  
S P Wombwell  
C M Connellan (appointed 12 April 2018)  
S J Jackson (resigned 30 April 2018)  
W M Robinson (resigned 30 June 2018)  
T R K Thompson (resigned on 7 August 2017)

**Registered Office**

72 Welbeck Street, London, England, W1G 0AY

**Registered Number**

05084921

**Principal Bankers**

The Royal Bank of Scotland plc.  
280 Bishopsgate, London, EC2M 4RB

**Report of the Directors**

The directors present herewith their annual report, together with the unaudited financial statements of the Company for the year ended 30 June 2018.

**Principal activities**

The Company acts as a holding company incurring costs on behalf of its subsidiary undertakings which are then recharged. Historically the costs were recharged at a marginal profit to the Company, however during the year ended 30 June 2017 the Company removed the margin and recharged at cost.

**Future developments**

The directors will continue to operate the Company as a holding company, providing management services to its subsidiary undertakings.

**Events since the end of the year**

There were no events since the end of year.

**Results and dividends**

The profit for the financial year after taxation was £4,125,382 (2017: loss £601).

No dividends were paid during the year and no final dividend was declared (2017: £nil).

**Directors**

The directors of the Company who were in office during the year and up to the date of signing of the financial statements are listed on page 1.

**Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year and these remain in force at the date of the report.

**Report of the Directors****Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the unaudited financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the unaudited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the unaudited 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 the unaudited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the unaudited financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the unaudited financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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 unaudited financial statements comply with the Companies Act 2006.

On behalf of the Board



Simon P Wombwell

**Director**

14 February 2019

**Statement of Comprehensive Income  
for the year ended 30 June 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
Turnover	3	-	-
Administrative expenses	4	3,496,922	(601)
Other gains and losses	5	(16,251)	-
<b>Operating profit / (loss)</b>		<b>3,480,671</b>	<b>(601)</b>
Finance income	8	26,377	-
Gain on disposal of subsidiary undertaking	10	618,334	-
<b>Profit / (loss) on ordinary activities before taxation</b>	6	<b>4,125,382</b>	<b>(601)</b>
Tax on profit / (loss) on ordinary activities	9	-	-
<b>Profit / (loss) after taxation for the financial year</b>		<b>4,125,382</b>	<b>(601)</b>
Other comprehensive income		-	-
<b>Total comprehensive income / (expense)</b>		<b>4,125,382</b>	<b>(601)</b>

**Continuing Operations**

None of the Company's activities were acquired or discontinued during the above two financial years.

The notes on pages 7 to 12 form an integral part of these financial statements.

**BRAEMAR GROUP LIMITED**
**FINANCIAL STATEMENTS 2018**
**Statement of Financial Position  
as at 30 June 2018**

	Note	30 June 2018		30 June 2017	
		£	£	£	£
<b>Assets</b>					
<b>Fixed assets</b>					
Investments in subsidiaries	10	2,400,001		3,700,001	
Fair value through profit or loss financial assets	11	<u>922,923</u>		<u>-</u>	
			3,322,924		3,700,001
<b>Current assets</b>					
Trade and other receivables	12	4,875,246		1,770,118	
Cash and cash equivalents		<u>202,286</u>		<u>3,556,597</u>	
			5,077,532		5,326,715
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	13		<u>(13,633)</u>		<u>(4,765,275)</u>
<b>Net current assets</b>			5,063,899		561,440
<b>Net assets</b>			<u><b>8,386,823</b></u>		<u><b>4,261,441</b></u>
<b>Equity</b>					
Called up share capital	14		1,830,563		1,830,563
Share premium account			3,356,481		3,118,026
Retained earnings / (accumulated losses)			3,199,779		(687,148)
<b>Total equity</b>			<u><b>8,386,823</b></u>		<u><b>4,261,441</b></u>

For the year ended 30 June 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The Directors' responsibilities confirm that;

- the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476, and;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 4 to 12 were approved by the board of directors on 14 February 2019 and were signed on its behalf by:



Simon P Wombwell

**Director**

Company registered number: 05084921

The notes on pages 7 to 12 form an integral part of these financial statements.

Statement of Financial Position  
as at 30 June 2018

	Called up share capital £	Share premium account £	Accumulated losses £	Total equity £
<b>At 1 July 2016</b>	<b>1,830,563</b>	<b>3,118,026</b>	<b>(686,547)</b>	<b>4,262,042</b>
Loss for the year	-	-	(601)	(601)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(601)</b>	<b>(601)</b>
<b>At 30 June 2017</b>	<b>1,830,563</b>	<b>3,118,026</b>	<b>(687,148)</b>	<b>4,261,441</b>
Profit for the year	-	-	4,125,382	4,125,382
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>4,125,382</b>	<b>4,125,382</b>
Transfer to retained earnings	-	238,455	(238,455)	-
<b>At 30 June 2018</b>	<b>1,830,563</b>	<b>3,356,481</b>	<b>3,199,779</b>	<b>8,386,823</b>

The notes on pages 7 to 12 form an integral part of these financial statements.



**Notes to the Financial Statements  
for the year ended 30 June 2018****1. General information**

Braemar Group Limited ("the Company") is a limited company incorporated and domiciled in United Kingdom. The Company had one subsidiary at the statement of financial position date and the subsidiary's principal activities can be found in note 10.

**2. Principal accounting policies**

These financial statements were prepared in accordance with The Companies Act 2006 as applicable to companies using FRS101. These financial statements have been prepared on a going concern basis under the historical cost convention.

The Company has taken advantage of the following available disclosure exemptions under FRS101, paragraphs 5 – 9, in respect of:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) IFRS 13 Fair Value measurement; and
- (c) Intra-Group – related party transactions.

The exemptions have been applied on the basis that, where required, the equivalent disclosures are included in the consolidated financial statements of the parent company, Brooks Macdonald Group plc in which the Company is included.

**Cash flow statement**

The Company has taken advantage of the exemption from preparing a cash flow statement under paragraph 8(g) of the disclosure exemptions from IFRS as adopted by the EU for qualifying entities included in FRS101. Brooks Macdonald Group plc, the parent company, consolidated financial statements for the year ended 30 June 2018 contain a consolidated statement of cash flows.

**Judgements and key sources of estimation and uncertainty**

The preparation of these financial statements requires management to make assumptions, estimates and judgements that affect the amounts reported as assets and liabilities as at the statement of financial position date and the amounts reported as revenues and expenses during the year. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported. In this regard, management believes that accounting policies where judgement is necessarily applied are those that relate to:

**a) *Income tax***

Significant judgement is required in determining the provision for income taxes due to uncertainty of the amount of income tax that may be payable, and in respect of determining the level of the future taxable profits of the Company that support the recoverability of the deferred tax asset.

**Going concern**

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of listed investments and in accordance with the Companies Act 2006 and FRS101. The principal accounting policies of the Company which have been applied consistently throughout the year are set out below:

**(a) Consolidated financial statements**

The Company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006. Consolidated financial statements are produced by the Company's ultimate parent company Brooks Macdonald Group plc.

**(b) Turnover**

Turnover represents the value, net of value added tax and discounts, of the amounts recharged for management services provided to its subsidiary undertakings.

**Notes to the Financial Statements  
for the year ended 30 June 2018**

**2. Principal accounting policies (continued)**

**(c) Investments in subsidiaries**

The investment in subsidiaries held by the Company is stated at cost less any provision for diminution in value. As at 1 July 2014, in accordance with Paragraph D15 of IFRS 1 "First time adoption of International Financial Reporting Standards" (IFRS 1) Appendix D, the Company has measured all investments at a deemed cost, being the previous GAAP carrying amount as at this date.

**(d) Taxation**

Tax on the profit of the year comprises current and deferred tax and is recognised in the statement of comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on an undiscounted basis.

**(e) Pension costs**

Contributions in respect of the Company's money purchase pension scheme are charged to the statement of comprehensive income for the period in which they fall due.

**(f) Fair value through profit or loss financial assets**

Financial instruments are classified as fair value through profit or loss if they are either held for trading or specifically designated in this category on initial recognition. Assets in this category are initially recognised at fair value and subsequently re-measured, with gains or losses arising from changes in fair value being recognised in the statement of comprehensive income.

**(g) Trade and other receivables**

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. Doubtful debts are provided for when the collection of the full amount is no longer probable, whilst bad debts are written off when identified.

**(h) Accrued income**

Turnover is recognised as it is earned in accordance with accounting policy (b) above. Where consideration is receivable after the statement of financial position date, an appropriate accrual is made at the statement of financial position date.

**(i) Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

**Notes to the Financial Statements  
for the year ended 30 June 2018**

**2. Principal accounting policies (continued)**

**(j) Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

**(k) Cash and cash equivalents**

Cash comprises cash in hand and cash on demand deposits which may be accessed without penalty. Cash equivalents comprise short term highly liquid investments with a maturity of less than three months from the date of acquisition.

**(l) Issued share capital**

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax from the proceeds.

**3. Turnover**

Turnover represents the amounts recharged for management services provided to its subsidiary undertakings. All turnover is derived in the United Kingdom.

**4. Administrative expenses**

Administrative expenses for the year ended 30 June 2018 included the write off of intercompany payable balances of £3,494,928 (2017: £nil) due to the disposal of a subsidiary undertaking. This was recognised in the statement of comprehensive income.

**5. Other gains and losses**

	2018 £	2017 £
Loss from changes in fair value of contingent consideration receivable (note 10)	16,251	-
	<b>16,251</b>	<b>-</b>

**6. Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging:

	2018 £	2017 £
Fees payable to the Company's auditor for the audit of the Company's financial statements:	-	-

**7. Employee information**

The remuneration of all of the directors are paid by the ultimate parent company. Their services to the Company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to other group companies. Accordingly, the Company does not include any remuneration in respect of the directors.

**Notes to the Financial Statements  
for the year ended 30 June 2018**

**8. Finance income**

	2018 £	2017 £
Interest receivable	24	-
Finance income of contingent consideration (note 10)	26,353	-
	<b>26,377</b>	<b>-</b>

**9. Taxation**

	2018 £	2017 £
The tax charge on the profit on ordinary activities for the year was as follows:		
UK corporation tax at 19.00% (2017: 19.75%)	-	-
<b>Income tax on ordinary activities</b>	<b>-</b>	<b>-</b>
<u>Factors affecting charge for the year</u>		
Profit / (loss) on ordinary activities before tax	4,125,382	(601)
Profit / (loss) on ordinary activities multiplied by the standard rate of tax in the UK of 19.00% (2017: 19.75%)	783,823	(119)
Tax effect of:		
- Tax losses utilised	-	-
- Expenses not deductible for tax purposes	(782,519)	-
- Loss available for group relief	-	119
- Group relief received free of charge	(1,304)	-
<b>Total current tax charge</b>	<b>-</b>	<b>-</b>

The change in the corporation tax rates to 17% from 1 April 2020 has been used in computing any deferred tax balances.

**10. Investments in subsidiaries**

Cost	Investments in subsidiaries £
At 1 July 2016	3,700,001
Additions	-
At 30 June 2017	3,700,001
Disposal	(1,300,000)
<b>At 30 June 2018</b>	<b>2,400,001</b>

On 1 December 2017 the Company disposed of a subsidiary undertaking, Braemar Estates (Residential) Limited. Initial cash consideration of £966,000 was received on completion, and a further £39,513 was received post completion. Additional cash consideration will also be receivable, contingent on the disposal group generating revenue equal to or in excess of a 'target' revenue amount during the period 1 July 2017 to 30 June 2019. On disposal, all conditions were expected to be met. Therefore the maximum contingent consideration of £966,000 was recognised at its fair value of £912,821 based on the discounted forecast cash flows on completion.

There was a reduction of £16,251 in the fair value of contingent consideration since the disposal date as a result of a downward revision to the forecast revenue provided by management of the buyer. Finance income of £26,353 was recognised in the year ended 30 June 2018 in relation to the discounting of the contingent consideration receivable (note 11). The performance criteria for the year ended 30 June 2018 were met and full receipt of the first contingent consideration receivable of £483,000 was received in September 2018.

**Notes to the Financial Statements  
for the year ended 30 June 2018**

**10. Investments in subsidiaries (continued)**

<b>Gain on disposal of subsidiary undertaking</b>	<b>£</b>	<b>£</b>
Initial consideration received	966,000	
Additional consideration received	39,513	
Fair value of contingent consideration	912,821	
<b>Total disposal consideration</b>		1,918,334
Cost of subsidiary undertaking		(1,300,000)
<b>Gain on disposal of subsidiary undertaking</b>		<b>618,334</b>

On 24 April 2018 two subsidiary undertakings were dissolved being UK Farming Limited and Braemar Estates Mortgages and Finance Limited. The investment in these subsidiary undertakings was impaired to nil net book value in previous financial years.

At 30 June 2018 the Company had the following subsidiary undertaking which is incorporated in England and Wales.

<b>Company</b>	<b>Type of share</b>	<b>Interest</b>	<b>Address of registered office</b>	<b>Nature of business</b>
Brooks Macdonald Funds Limited	Ordinary £1.00	100%	72 Welbeck Street, London, W1G 0AY	Corporate finance and fund management

**11. Fair value through profit or loss financial assets**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At 1 July	-	-
Additions	922,923	-
At 30 June	<b>922,923</b>	-

During the year ended 30 June 2018, the Company disposed of a subsidiary undertaking, Braemar Estates (Residential) Limited. The Company recognised a corresponding contingent consideration receivable in respect of deferred consideration receivable by the Company from the purchaser at its fair value of £922,923, including finance income from deferred consideration of £26,353 and reduction in fair value of £16,251 since disposal. Full details of the disposal are set out in note 10.

**12. Trade and other receivables**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	4,783,689	1,767,728
Other receivables	1,557	2,390
	<b>4,875,246</b>	<b>1,770,118</b>

The amounts owed by group companies represents unsecured loans, which are interest free, have no fixed repayment date and are repayable on demand.

**13. Trade and other payables**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade payables	3,765	26,243
Amounts owed to group undertakings	-	4,729,164
Taxation and social security	9,868	9,868
	<b>13,633</b>	<b>4,765,275</b>

The amounts owed to group undertakings are loans which are interest free, unsecured and repayable on demand.

**Notes to the Financial Statements  
for the year ended 30 June 2018**

**14. Called up share capital**

Allotted, called up and fully paid

	2018 £	2017 £
183,056,380 (2017: 183,056,380) ordinary shares of 1p each	1,830,563	1,830,563

**15. Ultimate parent company**

The immediate and ultimate parent undertaking and controlling party is Brooks Macdonald Group plc, which is the parent undertaking and smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements can be obtained from the Company Secretary at 72 Welbeck Street, London, W1G 0AY.

**16. Related party transactions**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose related party transactions with fellow wholly owned subsidiaries.

**17. Other financial commitments**

As at 30 June 2018 the Company had future minimum lease payments under non-cancellable lease agreements as follows:

	2018 £	2017 £
Land and Buildings operating leases which expire		
Within one year	-	24,071
Within two to five years	-	-
In over five years	-	-
	-	24,071

**18. Events since the end of the year**

There were no events since the end of year.