

Registered number
5084921

Braemar Group Limited
Report and Financial Statements
30 June 2012

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Braemar Group Limited
Report and accounts
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Braemar Group Limited
Company Information

Directors

W M Robinson

JS Murphy

CAJ Macdonald

S Jackson

JM Gumpel (appointed 28/06/12)

JD Agar (appointed 28/06/12)

SP Wombwell (appointed 28/06/12)

Secretary

JS Murphy

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

Bankers

The Royal Bank of Scotland plc

1 Spinningfields Square

Manchester

M3 3AP

Registered office

Richmond House

Heath Road

Hale

Cheshire

WA14 2XP

Registered number

5084921

Braemar Group Limited

Registered number 5084921

Directors' Report

The directors present their report and audited financial statements for the year ended 30 June 2012

Principal activities

The company's principal activity during the year continued to be to provide management services to its subsidiaries

Review of the business

The company acts as a holding company incurring costs on behalf of its subsidiary undertakings which are then recharged

Results

The profit for the accounting period, after taxation, amounted to £311,753 (2011 £34,633 loss)

Going concern

After making enquiries, the directors are satisfied that the company's ultimate parent entity, Brooks Macdonald Group plc will continue to provide financial support for the foreseeable future. Accordingly, the directors have adopted the going concern basis in the financial statements

Principal risks and uncertaintiesCredit risk

The company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures

Financial risk

The company does not actively use financial instruments as part of its financial risk management. There is limited currency risk as the company trades mainly in sterling.

Liquidity risk

The company maintains sufficient cash balances to enable it to settle its liabilities as they fall due

Key Performance Indicators

The directors monitor the performance of the business primarily on the basis of its net profitability

Directors' indemnities

The parent company, Brooks Macdonald Group plc has made qualifying third party indemnity provisions for the benefit of the directors within the group during the year and these remain in force at the date of the report. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors

Dividends

The directors do not recommend payment of a dividend (2011 £nil)

Braemar Group Limited**Registered number:** 5084921**Directors' Report****Directors**

The persons who served as directors during the year and up to the date of signing the financial statements are given below

W M Robinson
JS Murphy
CAJ Macdonald
S Jackson
JM Gumpel (appointed 28/06/12)
JD Agar (appointed 28/06/12)
SP Wombwell (appointed 28/06/12)

Political and charitable donations

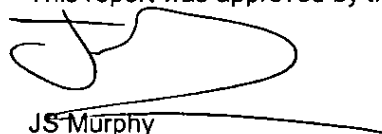
During the period, the company made no political and charitable donations (2011 none)

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he 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 auditor is aware of that information

This report was approved by the board on 12 September 2012 and signed on its behalf by


JS Murphy
Director

Braemar Group Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' report 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 accounts, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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.

Braemar Group Limited
Independent auditors' report
to the members of Braemar Group Limited

We have audited the accounts of Braemar Group Limited for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit

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 accounts. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts 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 accounts 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.


Ian Marsden

(Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Accountants and Statutory Auditors
12 September 2012

101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Braemar Group Limited
Profit and Loss Account
for the year ended 30 June 2012

	Notes	Year ended 30 June 2012 £	Period ended 30 June 2011 £
Turnover	2	2,658,323	1,515,461
Administrative expenses		(2,421,465)	(2,297,016)
Operating profit/(loss)	3	236,858	(781,555)
Exceptional items			
loss on the disposal of investments	9	-	(824,545)
Income from investments	9	-	1,611,019
Interest receivable	5	13	357
Interest payable	6	-	(39,909)
Profit/(loss) on ordinary activities before taxation		236,871	(34,633)
Tax on profit/(loss) on ordinary activities	7	74,882	-
Profit/(loss) for the financial year / period	15	311,753	(34,633)

Continuing operations

None of the company's activities were acquired or discontinued during the above year / period

Historical Cost Equivalents

There is no material difference between the profit on ordinary activities before taxation and the retained profits for the current year and between the loss on ordinary activities before taxation and the retained loss for the prior period stated above and their historical cost equivalents

The notes on pages 9 to 16 form part of these financial statements

Braemar Group Limited
Statement of total recognised gains and losses
for the year ended 30 June 2012

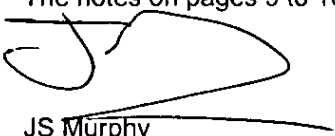
	Notes	Year ended 30 June 2012 £	Period ended 30 June 2011 £
Profit/(loss) for the financial year / period		311,753	(34,633)
Consideration for prior year tax losses	7	197,415	-
Total recognised gains and losses related to the year / period		<u>509,168</u>	<u>(34,633)</u>

The notes on pages 9 to 16 form part of these financial statements

Braemar Group Limited
Balance Sheet
as at 30 June 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	8	-	96,046
Investments	9	<u>1,950,000</u>	<u>1,450,000</u>
		1,950,000	1,546,046
Current assets			
Stocks		-	-
Debtors	10	1,436,203	752,137
Investments held as current assets	9	25,000	-
Cash at bank and in hand		<u>60,228</u>	<u>164,847</u>
		1,521,431	916,984
Creditors amounts falling due within one year	11	<u>(915,753)</u>	<u>(416,520)</u>
Net current assets		605,678	500,464
Total assets less current liabilities		<u>2,555,678</u>	<u>2,046,510</u>
Net assets		<u>2,555,678</u>	<u>2,046,510</u>
Capital and reserves			
Called up share capital	12	1,830,563	1,830,563
Share premium	14	3,118,026	3,118,026
Profit and loss account	15	<u>(2,392,911)</u>	<u>(2,902,079)</u>
Shareholders' funds	16	<u>2,555,678</u>	<u>2,046,510</u>

The notes on pages 9 to 16 form part of these financial statements


 JS Murphy
 Director

Approved by the board on 12 September 2012

Braemar Group Limited

Company number 5084921

Braemar Group Limited
Notes to the Accounts
for the year ended 30 June 2012

1 Accounting policies

The principal accounting policies are set out below and have been consistently applied throughout the period

Basis of preparation

The company's accounts have been prepared in accordance with the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), under the historical cost convention

Reporting the substance of transactions

In accordance with FRS 5, where the commercial substance of a transaction is different to its legal form, the transaction is accounted for in accordance with the commercial substance

Turnover

Turnover comprises the invoiced value of goods and services supplied by the Company to its subsidiaries net of VAT

Cash flows and related parties

The company is a wholly-owned subsidiary of Brooks Macdonald Group plc and is included in the consolidated financial statements of Brooks Macdonald Group plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related-party transactions with entities that are part of the Brooks Macdonald Group plc group or investees of the Brooks Macdonald Group plc group.

Consolidated accounts

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual and not about its group.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. The Company has not adopted a policy of discounting deferred tax assets and liabilities.

Going concern

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that, following receipt of confirmation from the parent company that it will continue to provide the necessary financial support for the company, the company shall continue as a going concern for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost of assets to their estimated residual values of each asset evenly over its expected useful life, as follows:

Long leasehold property	50 years
Short leasehold improvements	over the lease term
Fixtures, fittings and office equipment	over 4 years

Braemar Group Limited
Notes to the Accounts
for the year ended 30 June 2012

Fixed asset investments

Investments are stated at cost less provision for impairment except where the provisions of FRS 5 require the company to apply a market value to a cost of investment

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme and the pension costs charged against profits represent the amount of contributions payable to the scheme in the year. Differences between contributions payable and contributions actually paid are shown as either accruals or prepayments in the balance sheet

2 Analysis of turnover

All turnover arose in the United Kingdom

3 Operating profit / (loss)

	12 months ended 30 June 2012 £	15 months ended 30 June 2011 £
This is stated after charging		
Depreciation of owned fixed assets	8,499	-
Operating lease rentals - other	-	50,160
Auditors' remuneration for audit services	7,000	11,333
Auditors' remuneration for other services	-	11,900

Braemar Group Limited
Notes to the Accounts
for the year ended 30 June 2012

4 Staff costs and directors' emoluments	12 months ended 30 June 2012 £	15 months ended 30 June 2011 £
Wages and salaries	2,039,923	1,093,953
Social security costs	231,140	119,687
Other pension costs	128,729	84,162
Option charge for share options	-	234,057
	<u>2,399,792</u>	<u>1,531,859</u>

The total directors' remuneration in the year amounted to £703,976 (2011 £548,180). Compensation for loss of office of in 2011 was £11,440. The charge to the profit and loss account in the year in respect of share options for directors was borne by the subsidiary entities Brooks Macdonald Funds Limited and Braemar Estates (Residential) Limited (2011 £228,383). The aggregate emoluments for the highest paid director were £181,631 (2011 £252,691).

The above costs are inclusive of amounts recharged to other group companies.

Monthly average number of employees during the year / period	Number	Number
Administration	<u>57</u>	<u>19</u>

5 Interest receivable and similar income	12 months ended 30 June 2012 £	15 months ended 30 June 2011 £
Bank interest receivable	<u>13</u>	<u>357</u>

6 Interest payable and similar charges	12 months ended 30 June 2012 £	15 months ended 30 June 2011 £
Bank and credit card charges	-	27,129
Convertible loan note interest	-	6,285
Finance charges payable under finance leases and hire purchase contracts	-	6,495
	<u>-</u>	<u>39,909</u>

Braemar Group Limited
Notes to the Accounts
for the year ended 30 June 2012

7 Tax on profit on ordinary activities

	12 months ended 30 June 2012 £	15 months ended 30 June 2011 £
Analysis of charge in period		
Current tax		
UK corporation tax on loss of the period	-	-
Prior period loss relief payment	(74,882)	-
	<u>(74,882)</u>	<u>-</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	12 months ended 30 June 2012 £	15 months ended 30 June 2011 £
Profit/(loss) on ordinary activities before tax	236,871	(34,633)
Standard rate of corporation tax in the UK	25.5%	27.6%
	£	£
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax	60,402	(9,559)
Effects of		
Expenses not deductible for tax purposes	-	297,121
Depreciation for period in excess of capital allowances	2,380	1,759
Dividend income not taxable	-	(444,641)
Tax losses (utilised) / unutilised	(62,782)	53,615
Group relief surrendered	-	101,705
Current tax charge for period	<u>-</u>	<u>-</u>

Consideration of £272,297 relating to prior year tax losses surrendered has been confirmed in the current year. This payment had not yet been finalised as at the date the prior year financial statements were approved. The consideration equal to the tax saving of £74,882 has been included as a tax credit within the profit and loss account with the remaining element of the consideration of £197,415 reflected within equity.

The company has not provided for a deferred tax asset of £255,648 (2011: £398,953) in respect of trading losses due to uncertainty over when the losses might be utilised.

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 25.5% and will be taxed at 24% in the future. A further announcement was made in the 2012 Budget on 21 March 2012 to reduce the main rate of corporation tax by further 1% reductions per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date.

Braemar Group Limited
Notes to the Accounts
for the year ended 30 June 2012

8 Tangible fixed assets

	Fixtures, fittings and office equipment £
Cost / valuation	
At 1 July 2011	215,615
Additions	15,697
Disposals	(49,706)
Transfer to subsidiary undertakings	(181,606)
At 30 June 2012	<u>-</u>
Depreciation	
At 1 July 2011	119,569
Charge for the year	8,499
On disposals	(48,751)
Transfer to subsidiary undertakings	(79,317)
At 30 June 2012	<u>-</u>
Net book value	
At 30 June 2012	<u>-</u>
At 30 June 2011	<u>96,046</u>

9 Investments

	Investments in subsidiary undertakings £
Cost	
At 1 July 2011	1,450,000
Additions	525,000
Disposals	-
At 30 June 2012	<u>1,975,000</u>

During the year, the company subscribed £500,000 for additional shares in its subsidiary Brooks Macdonald Funds Limited

During the year the company subscribed £25,000 for shares in UK Farming plc

During the preceeding period the company earned dividends from its wholly owned subsidiaries of £1,611,019 of which none were outstanding at the balance sheet date. During the preceeding period the company disposed of its shareholding in Heath Road Investments Limited for a gross consideration of £465,000. This resulted in a loss on disposal in 2011 of £824,545.

The company has the following subsidiary undertakings which are all incorporated in England and Wales. All the subsidiaries are 100% owned except UK Farming plc which is 50% owned.

Subsidiary	Principal activity
Braemar Estates (Residential) Limited	Property and investment managers
Brooks Macdonald Funds Limited	Corporate finance and fund management
Braemar Estates Mortgages and Finance Limited	Dormant
UK Farming plc	Dormant

Braemar Group Limited
Notes to the Accounts
for the year ended 30 June 2012

10 Debtors	2012	2011
	£	£
Trade debtors	-	2,837
Amounts owed by group undertakings	1,414,582	720,202
Prepayments and accrued income	21,621	29,098
	<u>1,436,203</u>	<u>752,137</u>

The amounts owed by group undertakings are interest-free, unsecured and repayable on demand

11 Creditors' amounts falling due within one year	2012	2011
	£	£
Trade creditors	6,418	48,100
Other taxes and social security costs	64,944	95,116
Obligations under finance lease and hire purchase contracts	390	390
Amounts owed to group undertakings	500,000	-
Accruals and deferred income	329,882	272,914
Other creditors	14,119	-
	<u>915,753</u>	<u>416,520</u>

The amounts owed to group undertakings are interest-free, unsecured and repayable on demand

12 Share capital	Nominal value	2011 & 2012 Number	2012	2011
			£	£
Allotted and fully paid Ordinary shares	1p each	183,056,380	<u>1,830,563</u>	<u>1,830,563</u>

Braemar Group Limited
Notes to the Accounts
for the year ended 30 June 2012

13 Share option charges

Charges to the profit and loss account are summarised as follows

	2012	2011
	£	£
Share option cost charged in the year / period	<u>-</u>	<u>38,194</u>

Options are valued using the Black-Scholes option-pricing model and the principal inputs into the model were as follows

	2012	2011
	£	£
Weighted average exercise price	-	2 75p
Expected volatility weighted average	-	40%
Expected life weighted average	-	3 years
Risk-free rate	-	4%
Expected dividend rate	-	nil

The volatility rate applied reflects the published industry norm for a financial services company as recorded in widely available studies on market volatility. Given the low level of volume in the company's shares this is considered a more statistically reliable benchmark than the actual volatility in the company's shares.

In the year ended 30 June 2012 the share option cost was recharged to the subsidiary companies Braemar Estates (Residential) Limited and Brooks Macdonald Funds Limited by Brooks Macdonald Group plc.

14 Share premium

	2012
	£
At 1 July 2011	3,118,026
Shares issued	-
At 30 June 2012	<u>3,118,026</u>

15 Profit and loss account

	2012
	£
At 1 July 2011	(2,902,079)
Profit for the financial year	311,753
Consideration for prior year tax losses	<u>197,415</u>
At 30 June 2012	<u>(2,392,911)</u>

Braemar Group Limited
Notes to the Accounts
for the year ended 30 June 2012

16 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
At 1 July / 1 April	2,046,510	1,889,059
Profit / (loss) for the financial year / period	311,753	(34,633)
Consideration for prior year tax losses	197,415	-
Shares issued	-	135,525
Credit arising on share options	-	56,559
At 30 June	<u>2,555,678</u>	<u>2,046,510</u>

17 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Property Lease 2012 £	Property Lease 2011 £
Operating leases which expire		
within one year	-	-
within two to five years	50,160	50,160
in over five years	-	-
	<u>50,160</u>	<u>50,160</u>

18 Ultimate controlling party

The company is a wholly owned subsidiary of Brooks Macdonald Group plc. The parent undertaking of the smallest and largest group for which consolidated accounts are prepared is Brooks Macdonald Group plc. Consolidated financial statements are available from the registered office at 111-113 Park Street, London, W1K 7JL.