

Registered number
5084921

Braemar Group Limited
Report and Financial Statements
30 June 2014

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Braemar Group Limited
Report and Financial Statements
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Braemar Group Limited

Company Information

Directors

WM Robinson
CAJ Macdonald
S Jackson
JD Agar
SP Wombwell
T R K Thompson

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

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Braemar Group Limited**Registered number:**

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Strategic Report

The directors present their Strategic report on the company for the year ended 30 June 2014.

Review of the business

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

Position and Performance

The profit of the company for the year was £599,079 and the net assets of the company at the year end were £3,447,717.

Key Performance indicators

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

Principal risks and uncertainties

The company acts as a holding company and as such, is exposed to various risks through the activities of its subsidiaries. The risks are reduced by the policies and procedures in place in the subsidiary companies.

Financial Risk ManagementCredit 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 meet its liabilities as they fall due.

Operational risks

Due to the nature of the company being an intermediary holding company within a group of companies, it is not subject to a significant amount of operational risk.

Business strategy

Strategic issues including risks and opportunities are managed at group level and discussed at every board meeting. In addition, time is dedicated to strategic reviews at various executive board meetings across the group. Performance is regularly reviewed against the strategic targets.

This report was approved by the board on 16 September 2014 and signed on its behalf by:



William Martin Robinson

Director

16 September 2014

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

The directors present their report and the audited financial statements for the year ended 30 June 2014.

Principal activities

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

Results

The profit for the financial year, after taxation was £599,079 (2013 : £292,960 profit).

Financial Risk Management

Please refer to the strategic report.

Future developments

The directors intend to maintain the company as a holding company.

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 (2013 : £nil).

Directors

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

WM Robinson
CAJ Macdonald
S Jackson
JM Gumpel (resigned 6 June 2014)
JD Agar
SP Wombwell
T R K Thompson (appointed 4 June 2014)

Political and charitable donations

During the year, the company made no political and charitable donations (2013 : none).

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting of the ultimate parent company.

Braemar Group Limited

Registered number:

5084921

Directors' Report

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 auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

This report was approved by the board on 16 September 2014 and signed on its behalf by:



William Martin Robinson
Director

Braemar Group Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared 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;
- state whether applicable UK 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 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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Braemar Group Limited, comprise;

- the balance sheet at 30 June 2014
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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
- and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report and Financial Statements (the "Annual Report") 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 other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit.
- 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.

We have no exceptions to report arising from this responsibility.

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

Directors' remuneration

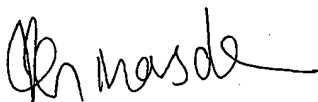
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit
Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 ISAs (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.



Ian Marsden
(Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
16 September 2014

Braemar Group Limited
Profit and Loss Account
for the year ended 30 June 2014

	Notes	2014 £	2013 £
Turnover	2	3,665,778	3,193,083
Administrative expenses		(3,061,942)	(2,881,425)
Operating profit	3	603,836	311,658
Interest receivable and similar income	5	621	924
Exceptional items: Amounts written off investments	7	(5,378)	(19,622)
Profit on ordinary activities before taxation		599,079	292,960
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	13	599,079	292,960

All results derive from continuing operations

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

Statement of total recognised gains and losses

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

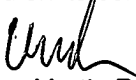
The notes on pages 10 to 14 form part of these financial statements.

Braemar Group Limited
Balance Sheet
as at 30 June 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	7	<u>2,300,000</u>	<u>2,305,378</u>
		2,300,000	2,305,378
Current assets			
Debtors	8	2,884,841	4,156,505
Cash at bank and in hand		<u>94,946</u>	<u>85,851</u>
		2,979,787	4,242,356
Creditors: amounts falling due within one year	9	<u>(1,832,070)</u>	<u>(3,699,096)</u>
Net current assets		<u>1,147,717</u>	<u>543,260</u>
Total assets less current liabilities		<u>3,447,717</u>	<u>2,848,638</u>
Net assets		<u>3,447,717</u>	<u>2,848,638</u>
Capital and reserves			
Called up share capital	10	1,830,563	1,830,563
Share premium account	12	3,118,026	3,118,026
Profit and loss account	13	(1,500,872)	(2,099,951)
Total shareholders' funds	14	<u>3,447,717</u>	<u>2,848,638</u>

The notes on pages 10 to 14 form part of these financial statements

The financial statements on pages 8 to 14 were approved by the board on 16 September 2014 and signed on its behalf by:


William Martin Robinson
Director
16 September 2014

Braemar Group Limited

Company number: 5084921

Braemar Group Limited
Notes to the Financial Statements
for the year ended 30 June 2014

1 Accounting policies

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

Basis of preparation

The company's financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable standards in the United Kingdom ("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 financial statements

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 (see note 16).

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.

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.

Braemar Group Limited
Notes to the Financial Statements
for the year ended 30 June 2014

2 Turnover

All turnover arose in the United Kingdom.

3 Operating profit

	2014	2013
	£	£
This is stated after charging:		
Auditors' remuneration for audit services	7,000	7,000
Operating lease rentals - land and buildings	<u>50,160</u>	<u>50,160</u>

4 Staff costs and directors' emoluments

	2014	2013
	£	£
Wages and salaries	2,790,113	2,470,884
Social security costs	317,754	286,297
Other pension costs	<u>122,042</u>	<u>116,850</u>
	<u>3,229,909</u>	<u>2,874,031</u>

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

The total directors' remuneration in the year amounted to £1,110,872 (2013: £997,021). Pension contributions of £45,837 (2013: £55,875) were made in respect of directors. 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. The aggregate emoluments for the highest paid director were £337,000 (2013: £301,000). No compensation for loss of office was paid.

Monthly average number of employees during the year	Number	Number
Administration	<u>56</u>	<u>56</u>

5 Interest receivable and similar income

	2014	2013
	£	£
Bank interest receivable	<u>621</u>	<u>924</u>

Braemar Group Limited
Notes to the Financial Statements
for the year ended 30 June 2014

6 Tax on profit on ordinary activities

	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Analysis of credit in the year		
Current tax:		
UK corporation tax on profit for the year	-	-
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>

Factors affecting tax credit for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 22.5%. The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>599,079</u>	<u>292,960</u>
Standard rate of corporation tax in the UK	22.50%	23.75%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	134,793	69,578
Effects of:		
Capital allowances in excess of depreciation	-	(838)
Tax losses utilised	(134,793)	(68,740)
Adjustments in respect of prior periods	-	-
Current tax credit for the year	<u>-</u>	<u>-</u>

The company has not recognised a deferred tax asset of £29,817 (2013: £173,976) in respect of trading losses due to uncertainty over when the losses might be utilised. The loss will be utilised if the company continues to be profitable in future years.

Factors that may affect future tax charges

The Finance Act 2013 was substantively enacted on 2 July 2013 and included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014, and to further reduce to 20% from 1 April 2015.

Braemar Group Limited
Notes to the Financial Statements
for the year ended 30 June 2014

7 Investments

	Investments in subsidiary undertakings £
Cost and net book value	
At 1 July 2013	2,305,378
Provision for impairment	(5,378)
At 30 June 2014	<u>2,300,000</u>

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.

The company holds an investment of £25,000 in UK Farming plc. This has been impaired by £5,378 (2013: £19,622) to reflect the company's share of net assets currently held within the company of £nil.

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	Non-trading

8 Debtors	2014 £	2013 £
Amounts owed by group undertakings	2,861,650	4,142,108
Other debtors	6,411	-
Prepayments and accrued income	16,780	14,397
	<u>2,884,841</u>	<u>4,156,505</u>

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

9 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	4,738	5,556
Amounts owed to group undertakings	1,749,880	3,457,763
Taxation and social security costs	77,452	59,645
Accruals and deferred income	-	176,132
	<u>1,832,070</u>	<u>3,699,096</u>

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

10 Called up share capital	Nominal value	2013 & 2014 Number	2014 £	2013 £
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 Financial Statements
for the year ended 30 June 2014

11 Share option charges

In the year ended 30 June 2014 the share option cost of £228,786 was recharged to the subsidiary companies Braemar Estates (Residential) Limited and Brooks Macdonald Funds Limited by Brooks Macdonald Group plc (2013: £nil).

12 Share premium account

2014
£

At 1 July 2013	3,118,026
At 30 June 2014	<u>3,118,026</u>

13 Profit and loss account

2014
£

At 1 July 2013	(2,099,951)
Profit for the financial year	<u>599,079</u>
At 30 June 2014	<u>(1,500,872)</u>

14 Reconciliation of movements in shareholders' funds

2014
£

2013
£

At 1 July	2,848,638	2,555,678
Profit for the financial year	<u>599,079</u>	<u>292,960</u>
At 30 June	<u>3,447,717</u>	<u>2,848,638</u>

15 Other financial commitments

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

	Land and Buildings 2014 £	Land and Buildings 2013 £
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>

16 Ultimate controlling party

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