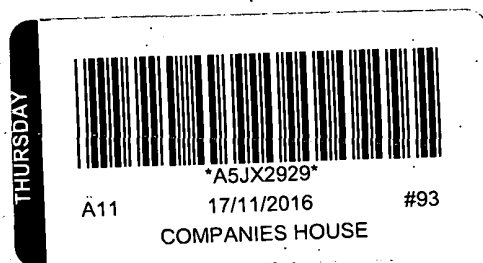


BRAEMAR GROUP LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

Company number: 05084921



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Company Information

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:

W M Robinson
J D Agar
S P Wombwell
C A J Macdonald
T R K Thompson
S J Jackson

Company Secretary

J K Utkur

Registered Office

Richmond House Heath Road, Hale, Altrincham, England, WA14 2XP

Registered Number

05084921

Independent Auditors

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors
7 More London Riverside, London, SE1 2RT

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 audited financial statements of the Company for the year ended 30 June 2016.

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 2016 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

Details of events after the statement of financial position date are set out in note 15 to the financial statements on page 15. There have been no material events after the Company's year end.

Results and dividends

The profit for the financial year after taxation was £339,181 (2015: £475,144).

No dividends were paid during the year and no final dividend was declared (2015: £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.

First time adoption of FRS101

For the year ended 30 June 2016 the Company transitioned to Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS101"). Under the adoption of FRS101, there are no material effects on the statement of comprehensive income and statement of financial position. There is a disclosure change as a result of transition to FRS101, details of which have been set out in note 13 to the financial statements on page 14.

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 preparing the financial statements.

Report of the Directors**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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS101.

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 United Kingdom Accounting Standards, including FRS101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify shareholders in writing about the use of disclosure exemptions, if any, of FRS101 used in the preparation of 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

Each of the directors in office at the date this report is approved confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been 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 report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



W M Robinson

Director

26 October 2016

Independent auditors' report to the members of Braemar Group Limited

Report on the financial statements

Our opinion

In our opinion, Braemar Group Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 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.
-

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 30 June 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS101 "Reduced Disclosure Framework", and applicable law (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.

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.

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; or
- 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.

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.

Independent auditors' report to the members of Braemar Group Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. 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 3, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with 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
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in 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.



Natasha McMillan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 October 2016

BRAEMAR GROUP LIMITED**FINANCIAL STATEMENTS 2016****Statement of Comprehensive Income
for the year ended 30 June 2016**

	Note	2016 £	2015 £
Turnover	3	2,963,974	4,213,065
Administrative expenses		(2,624,793)	(3,737,921)
Profit on ordinary activities before taxation	4	339,181	475,144
Tax on profit on ordinary activities	6	-	-
Profit after taxation for the financial year		339,181	475,144
Other comprehensive income		-	-
Total comprehensive income		339,181	475,144

Continuing Operations

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

The notes on pages 9 to 15 form an integral part of these financial statements.

BRAEMAR GROUP LIMITED
FINANCIAL STATEMENTS 2016
**Statement of Financial Position
as at 30 June 2016**

	Note	30 June 2016 £	£	30 June 2015* £	£
Assets					
Fixed assets					
Investments in subsidiaries	7	3,700,001		2,450,001	
Current assets					
Trade and other receivables	8	6,538,818		5,096,163	
Cash and cash equivalents		<u>7,068</u>		<u>92,688</u>	
		6,545,886		5,188,851	
Liabilities					
Current liabilities					
Trade and other payables	9	<u>(5,983,845)</u>		<u>(3,715,991)</u>	
Net current assets		562,041		1,472,860	
Net assets		<u><u>4,262,042</u></u>		<u><u>3,922,861</u></u>	
Equity					
Called up share capital	10	1,830,563		1,830,563	
Share premium account		3,118,026		3,118,026	
Accumulated losses		(686,547)		(1,025,728)	
Total equity		<u><u>4,262,042</u></u>		<u><u>3,922,861</u></u>	

*Trade and other receivables and trade and other payables restated per notes 8 and 9.

The financial statements on pages 6 to 15 were approved by the board of directors on 26 October 2016 and were signed on its behalf by:



W M Robinson
Director

Company registered number: 05084921

The notes on pages 9 to 15 form an integral part of these financial statements.

BRAEMAR GROUP LIMITED**FINANCIAL STATEMENTS 2016****Statement of Changes in Equity
for the year ended 30 June 2016**

	Called up share capital £	Share premium account £	Accumulated losses £	Total equity £
At 1 July 2014	1,830,563	3,118,026	(1,500,872)	3,447,717
Profit for the year	-	-	475,144	475,144
Total comprehensive income	-	-	475,144	475,144
At 30 June 2015	1,830,563	3,118,026	(1,025,728)	3,922,861
Profit for the year	-	-	339,181	339,181
Total comprehensive income	-	-	339,181	339,181
At 30 June 2016	1,830,563	3,118,026	(686,547)	4,262,042

The notes on pages 9 to 15 form an integral part of these financial statements.

**Notes to the Financial Statements
for the year ended 30 June 2016****1. General information**

Braemar Group Limited ("the Company") is a limited company incorporated and domiciled in United Kingdom. The Company has four subsidiaries and the subsidiaries' principal activities can be found in note 7.

2. Principal accounting policies

The Company transitioned to Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS101"). Figures for comparative periods have been restated with details of adjustments set out in note 14. Allowing for change with regards to FRS101, the accounting policies have been applied consistently.

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;
- (c) Intra-Group – related party transactions; and
- (d) IAS 1 Presentation of financial statements in relation to restatement.

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.

The comparatives for trade and other receivables and trade and other payables have been restated as the amounts owed by and to group undertakings were previously disclosed net, but is considered more accurate to be disclosed gross. The restatement had no impact to the statement of comprehensive income or the net assets in the statement of financial position, see notes 8 and 9.

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 2016 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:

**Notes to the Financial Statements
for the year ended 30 June 2016**

2. Principal accounting policies (continued)

(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

(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) 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.

(g) 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.

**Notes to the Financial Statements
for the year ended 30 June 2016**

2. Principal accounting policies (continued)

(h) 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.

(i) 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.

(j) 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.

(k) 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. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's financial statements:	7,300	3,000

5. Employee information

(a) Staff costs

	2016 £	2015 £
Wages and salaries	2,281,908	3,204,166
Social security costs	250,337	364,815
Other pension costs	72,342	160,344
	2,604,587	3,729,325

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

**Notes to the Financial Statements
for the year ended 30 June 2016**

5. Employee information (continued)

(b) Employees

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

	2016	2015
Administrative and support staff	61	64
	61	64

(c) Directors' emoluments

	2016 £	2015 £
Remuneration and benefits in kind	28,845	1,068,187
Company contributions to money purchase schemes	856	54,168
	29,701	1,122,355

Highest paid director

	2016 £	2015 £
Remuneration and benefits in kind	10,101	457,615
Company contributions to money purchase scheme	-	-
	10,101	457,615

No pension contributions were made in respect of the highest paid director.

The charge to the statement of comprehensive income 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 remuneration of C A J Macdonald and T R K Thompson is 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 above details include no remuneration in respect of these directors.

6. Taxation

	2016 £	2015 £
The tax charge on the profit on ordinary activities for the year was as follows:		
UK corporation tax at 20.00% (2015: 20.75%)	-	-
Adjustment in respect of prior years	-	-
Income tax on ordinary activities	-	-
<u>Factors affecting charge for the year</u>		
Profit on ordinary activities before tax	339,181	475,144
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 20.00% (2015: 20.75%)	67,836	98,592
Tax effect of:		
- Tax losses utilised	-	(30,592)
- Group relief received free of charge	(67,836)	(68,000)
Total current tax charge	-	-

The change in the corporation tax rates to 18% from 1 April 2020 has been used in computing any deferred tax balances.

**Notes to the Financial Statements
for the year ended 30 June 2016**

7. Investments in subsidiaries

Cost	Investments in subsidiaries £
At 1 July 2014	2,300,000
Additions	150,001
At 30 June 2015	2,450,001
Additions	1,250,000
At 30 June 2016	3,700,001

The Company has the following subsidiary undertakings which are all incorporated in England and Wales. All of the subsidiaries are wholly owned except for UK Farming Limited which is 50% owned. The Company holds an investment of £25,000 in UK Farming Limited. This was fully impaired in prior years to reflect the Company's share of net assets currently held within the Company of £nil.

On 30 June 2016, Brooks Macdonald Funds Limited issued 1,250,000 ordinary shares to the Company at a par value of £1 each.

Company	Type of share	Interest	Address of registered office	Nature of business
Braemar Estates (Residential) Limited	Ordinary £1.00	100%	Richmond House, Heath Road, Hale, Altrincham, Cheshire, WA14 2XP	Property managers
Brooks Macdonald Funds Limited	Ordinary £1.00	100%	72 Welbeck Street, London, W1G 0AY	Corporate finance and fund management
Braemar Estates Mortgages and Finance Limited	Ordinary £1.00	100%	Richmond House, Heath Road, Hale, Altrincham, Cheshire, WA14 2XP	Dormant
UK Farming Limited	Ordinary £0.50	50%	Richmond House, Heath Road, Hale, Altrincham, Cheshire, WA14 2XP	Non-trading

8. Trade and other receivables

	2016 £	*Restated 2015 £
Amounts owed by group undertakings	6,514,901	5,084,061
Other receivables	23,917	12,102
	6,538,818	5,096,163

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

*The amounts owed by group undertakings at 30 June 2015 have been restated from £2,121,804 to £5,084,061. In the prior year the amounts owed by group undertakings were disclosed net with other balances due to and from group undertakings.

**Notes to the Financial Statements
for the year ended 30 June 2016**

9. Trade and other payables

	2016 £	*Restated 2015 £
Trade payables	27,096	7,142
Amounts owed to group undertakings	5,946,881	3,617,257
Taxation and social security	9,868	88,592
Other payables	-	-
Accruals and deferred income	-	3,000
	5,983,845	3,715,991

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

*The amounts owed to group undertakings at 30 June 2015 have been restated from £655,000 to £3,167,257. In the prior year the amounts owed to group undertakings were disclosed net with other balances due to and from group undertakings.

10. Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid		
183,056,380 (2015: 183,056,380) ordinary shares of 1p each	1,830,563	1,830,563

11. 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.

12. 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. Brooks Macdonald Funds Limited, a fellow group company, holds a 60% non-controlling share in North Row Capital LLP. At 30 June 2016, North Row Capital LLP owed the Company £267 (2015: £267).

13. Other financial commitments

As at 30 June 2016 the Company had future minimum lease payments under non-cancellable lease agreements as follows:

	2016 £	*Restated 2015 £
Land and Buildings		
Operating leases which expire		
Within one year	73,982	73,982
Within two to five years	24,071	98,433
In over five years	-	-
	98,053	172,415

*The comparative figures for the year ended 30 June 2015 are restated in line with the transition to FRS101 per note 18. Under FRS101, total future minimum lease payments are to be disclosed however in the report for the year ended 30 June 2015, prepared under UK generally accepted accounting practise ("UK GAAP"), only the annual charge was disclosed.

**Notes to the Financial Statements
for the year ended 30 June 2016****14. Transition to FRS101**

This is the first year in respect of which the Company has prepared its financial statements under FRS101. The previous financial statements for the year ended 30 June 2015 were prepared under 'old UK GAAP'. The date of transition to FRS101 is 1 July 2014.

In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 July 2014, the Company's date of transition to FRS101. There are no material adjustments required to the primary financial statements as a result of the transition to FRS101. There is a disclosure adjustment as a result of transitioning to FRS101 with regards to other financial commitments, see note 13.

15. Events since the end of the year

No material events have occurred between the reporting date and the date of signing the financial statements.