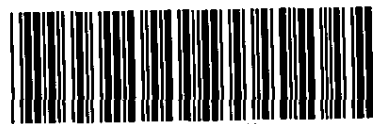


BRAEMAR GROUP LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Company number: 05084921

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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:

K J Utkur (appointed 23 August 2016)
W M Robinson (resigned 23 August 2016)

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
S J Jackson
C A J Macdonald (resigned on 11 April 2017)
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 2017.

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

On Wednesday 20 September 2017 the Company agreed to the sale of the entire share capital of a subsidiary company, Braemar Estates (Residential) Limited to Rendall and Rittner Limited.

Results and dividends

The loss for the financial year after taxation was £601 (2016: profit £339,181).

No dividends were paid during the year and no final dividend was declared (2016: £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 Report of the Directors and the financial statements in accordance with applicable law and regulations.

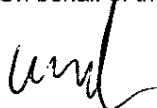
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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.

On behalf of the Board



W M Robinson

Director

20 March 2018

**Statement of Comprehensive Income
for the year ended 30 June 2017**

	Note	2017 £	2016 £
Turnover	3	-	2,963,974
Administrative expenses		(601)	(2,624,793)
(Loss) / Profit on ordinary activities before taxation	4	(601)	339,181
Tax on (loss) / profit on ordinary activities	6	-	-
(Loss) / Profit after taxation for the financial year		(601)	339,181
Other comprehensive income		-	-
Total comprehensive (expense) / income		(601)	339,181

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.

Statement of Financial Position
as at 30 June 2017

	Note	30 June 2017		30 June 2016	
		£	£	£	£
Assets					
Fixed assets					
Investments in subsidiaries	7	3,700,001		3,700,001	
Current assets					
Trade and other receivables	8	1,770,118		6,538,818	
Cash and cash equivalents		<u>3,556,597</u>		<u>7,068</u>	
		5,326,715		6,545,886	
Liabilities					
Current liabilities					
Trade and other payables	9	<u>(4,765,275)</u>		<u>(5,983,845)</u>	
Net current assets		561,440		562,041	
Net assets		<u>4,261,441</u>		<u>4,262,042</u>	
Equity					
Called up share capital	10	1,830,563		1,830,563	
Share premium account		3,118,026		3,118,026	
Accumulated losses		<u>(687,148)</u>		<u>(686,547)</u>	
Total equity		<u>4,261,441</u>		<u>4,262,042</u>	

For the year ended 30 June 2017, 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 20 March 2018 and were signed on its behalf by:



W M Robinson
Director

Company registered number: 05084921

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

Statement of Changes in Equity
for the year ended 30 June 2017

	Called up share capital £	Share premium account £	Accumulated losses £	Total equity £
At 1 July 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
Loss for the year	-	-	(601)	(601)
Total comprehensive income	-	-	(601)	(601)
At 30 June 2017	1,830,563	3,118,026	(687,148)	4,261,441

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 2017****1. General information**

Braemar Group Limited ("the Company") is a limited company incorporated and domiciled in United Kingdom. The Company had four subsidiaries at the statement of financial position date and the subsidiaries' principal activities can be found in note 7. The Company disposed of a subsidiary since the statement of financial position date, see note 14 for further details.

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 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:

(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 2017**

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) 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.

(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.

**Notes to the Financial Statements
for the year ended 30 June 2017**

2. Principal accounting policies (continued)

(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:

	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the Company's financial statements:	-	7,300

5. Employee information

(a) Staff costs

	2017 £	2016 £
Wages and salaries	-	2,281,908
Social security costs	-	250,337
Other pension costs	-	72,342
	-	2,604,587

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

(b) Employees

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

	2017	2016
Administrative and support staff	-	61
	-	61

(c) Directors' emoluments

	2017 £	2016 £
Remuneration and benefits in kind	-	28,845
Company contributions to money purchase schemes	-	856
	-	29,701

**Notes to the Financial Statements
for the year ended 30 June 2017**

5. Employee information (continued)

(c) Directors' emoluments (continued)

Highest paid director

	2017 £	2016 £
Remuneration and benefits in kind	-	10,101
Company contributions to money purchase scheme	-	-
	-	10,101

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 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.

Until April 2016, the employees for the subsidiary companies per note 7 were employed by the Company and staff costs were recharged via a management charge to the relevant subsidiary company. From April 2016, the Company had no employees.

6. Taxation

	2017 £	2016 £
The tax charge on the profit on ordinary activities for the year was as follows:		
UK corporation tax at 19.75% (2016: 20.00%)	-	-
Income tax on ordinary activities	-	-
<u>Factors affecting charge for the year</u>		
(Loss) / Profit on ordinary activities before tax	(601)	339,181
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 20.00% (2016: 20.00%)	(119)	67,836
Tax effect of:		
- Tax losses utilised	-	-
- Loss available for group relief	119	-
- Group relief received free of charge	-	(67,836)
Total current tax charge	-	-

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

**Notes to the Financial Statements
for the year ended 30 June 2017**

7. Investments in subsidiaries

Cost	Investments in subsidiaries £
At 1 July 2015	2,450,001
Additions	1,250,000
At 30 June 2016	3,700,001
Additions	-
At 30 June 2017	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

	2017 £	2016 £
Amounts owed by group undertakings	1,767,728	6,514,901
Other receivables	2,390	23,917
	1,770,118	6,538,818

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

9. Trade and other payables

	2017 £	2016 £
Trade payables	26,243	27,096
Amounts owed to group undertakings	4,729,164	5,946,881
Taxation and social security	9,868	9,868
	4,765,275	5,983,845

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 2017**

10. Called up share capital

Allotted, called up and fully paid

183,056,380 (2016: 183,056,380) ordinary shares of 1p each

2017 £	2016 £
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 2017, North Row Capital LLP owed the Company £nil (2016: £267).

13. Other financial commitments

As at 30 June 2017 the Company had future minimum lease payments under non-cancellable lease agreements as follows:

	2017 £	2016 £
Land and Buildings		
Operating leases which expire		
Within one year	24,071	73,982
Within two to five years	-	24,071
In over five years	-	-
	24,071	98,053

14. Events since the end of the year

Since the end of the financial year, Company agreed to dispose of the entire share capital of a subsidiary company, Braemar Estates (Residential) Limited to Rendall & Rittner Limited. The disposal exchanged on 20 September 2017 and was completed on 1 December 2017.