

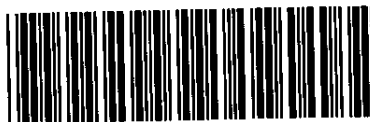
**Braemar Corporate Finance Limited**  
(formerly Braemar Naves Corporate Finance Limited)

Directors' Report and Financial Statements

Registered number 02710842

28 February 2022

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## **Directors and advisors**

### **Directors**

P H Broer  
R E Jansen  
A Siepmann  
T P Simmonds  
N P Stone

### **Registered office**

One Strand  
Trafalgar Square  
London  
WC2N 5HR

### **Bankers**

HSBC Bank Plc  
Surrey and Sussex Corporate Banking Centre  
Ground Floor  
1 London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

## **Directors' report and statement of Directors' responsibilities**

The Directors present their Directors' report and Financial Statements for the year ended 28 February 2022.

### **Change of name**

On 29 September 2022, the Company changed its name from Braemar Naves Corporate Finance Limited to Braemar Corporate Finance Limited.

### **Principal activity**

The principal activity of Braemar Corporate Finance Limited (the 'Company') is the provision of corporate finance advice to the maritime industry.

### **Results and dividends**

The profit for the period after taxation amounted to £857,457 (2021: £261,155 loss). The Directors do not recommend the payment of a dividend (2021: £nil).

### **Political contributions**

There were no political contributions during the year ended 28 February 2022 (2021: £nil).

### **Directors**

The Directors who held office during the year and up to the date of signing were as follows:

P H Broer (appointed 23 November 2022)

R E Jansen (resigned 24 January 2023)

M K A D H Kuchenbecker (resigned 30 September 2022)

A Siepmann

T P Simmonds (appointed 20 September 2022)

N P Stone

R C Series (resigned 21 April 2021)

### **Statement of Directors' responsibilities in respect of the Directors' report and the Financial Statements**

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), including FRS 101 Reduced Disclosure Framework.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

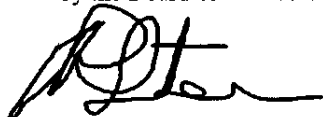
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

This report was approved by the Board on 24 February 2023 and signed on behalf of the Board by

**N P Stone**

Director

Braemar Corporate Finance Limited (Reg. no. 02710842)



## Income statement and statement of comprehensive income

For the year ended 28 February 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	2	<b>4,167,391</b>	1,785,020
Cost of sales		-	-
<b>Gross profit</b>		<b>4,167,391</b>	1,785,020
Administrative expenses		(3,114,251)	(2,046,175)
<b>Operating profit/(loss)</b>	4	<b>1,053,140</b>	(261,155)
Other operating income		-	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>1,053,140</b>	(261,155)
Taxation	5	(195,683)	-
<b>Profit/(loss) for the financial year attributable to shareholders</b>		<b>857,457</b>	(261,155)
<b>Total comprehensive profit/(loss) for the year</b>		<b>857,457</b>	(261,155)

The notes on pages 6 to 11 form part of these Financial Statements

## Balance sheet

As at 28 February 2022

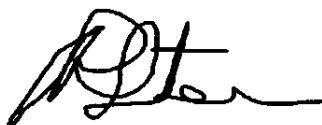
	Notes	2022 £	2021 £
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	6	1,892,869	60,093
Cash at bank	7	984,646	1,222,395
<b>Total assets</b>		<b>2,877,515</b>	<b>1,282,488</b>
<b>Liabilities</b>			
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	8	2,901,986	2,164,416
<b>Total liabilities</b>		<b>2,901,986</b>	<b>2,164,416</b>
<b>Net assets/(liabilities)</b>		<b>(24,471)</b>	<b>(881,928)</b>
<b>Equity</b>			
Called up share capital	9	25,000	25,000
Retained earnings		(49,471)	(906,928)
<b>Total equity</b>		<b>(24,471)</b>	<b>(881,928)</b>

For the year ending 28 February 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### The Directors:

- confirm that the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The Financial Statements on pages 3 to 11 were approved by the Board of Directors on 24 February 2023 and were signed on its behalf by:



**N P Stone**  
Director  
Braemar Corporate Finance Limited (Reg. no. 02710842)

**Statement of changes in equity**  
For the year ended 28 February 2022

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
Balance at 1 March 2020	25,000	(645,773)	(620,773)
Loss for the year	-	(261,155)	(261,155)
Balance at 28 February 2021	25,000	(906,928)	(881,928)
Profit for the year	-	857,457	857,457
<b>Balance at 28 February 2022</b>	<b>25,000</b>	<b>(49,471)</b>	<b>(24,471)</b>

The notes on pages 6 to 11 form part of these Financial Statements

## Notes to the Financial Statements

### 1. Accounting policies

#### a) Going concern

The Financial Statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements.

The Company is a wholly owned subsidiary within the Braemar Plc (formerly Braemar Shipping Services Plc) Group and participates in the Group's centralised treasury arrangements, and so shares banking arrangements with its ultimate parent undertaking and fellow subsidiaries. Braemar Plc has provided a letter of support confirming its support as is necessary to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of the Financial Statements.

The Directors have considered the Company's trading and cash flows over the first six months of the year, which has been resilient, along with forward-looking market data in respect of the shipping market. This includes the forward order book.

The Directors have also assessed the responses of the Directors of Braemar Plc to their enquiries and have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Braemar Plc to continue as a going concern or its ability to continue with the current banking arrangements.

The Braemar Plc Group has prepared cashflow forecasts and stress / reverse stress tests which consider the impact of the conflict in Ukraine and COVID. The Group's compliance with sanctions put in place as a result of the conflict in the Ukraine is not expected to have any material effect on trading FY22/23 nor does the Group have any existing material exposure. The effects of COVID are nothing like those that were the case in the previous two years, despite some disruptions still prevalent, particularly in Asia, however these are not expected to have a material impact on trading in the going concern period. The Directors have concluded therefore that none of these factors are likely to have a significantly adverse impact on the Group's future cash flows. Accordingly, the Company continues to adopt the going concern basis in preparing the Financial Statements.

#### b) Basis of preparation and forward-looking statements

The Company's Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The Company transitioned from FRS 102 to FRS 101 as at 1 March 2020. There were no material amendments on the adoption of FRS 101.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's Financial Statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise indicated.

The Financial Statements have been prepared under the historic cost convention except for items measured at fair value as set out in the accounting policies below.

Certain statements in this Directors' Report and Financial Statements are forward-looking. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. These statements involve risks and uncertainties, so actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.



## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### *FRS 101*

The Financial Statements of the Company have been prepared in accordance with FRS 101 Reduced Disclosure Framework.

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes.
- Comparative period reconciliations for share capital.
- Disclosures in respect of capital management.
- Disclosures of transactions with a management entity that provides management personnel services to the Company.
- Certain disclosures required under IFRS 15 Revenue from Contracts with Customers.
- Certain disclosures required under IFRS 9 Financial Instruments.
- IFRS 2 “Share Based Payments” in respect of Group settled share-based payments.
- Certain disclosures required by IFRS 13 “Fair Value Measurement”
- The disclosures required by IFRS 7 “Financial Instrument Disclosures”.
- The requirements in IAS 24 “Related Party Disclosures” to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member, and the exemption to disclose key management compensation.

#### **New and amended standards adopted by the Company**

There were no new standards or amendments adopted in the annual Financial Statements for the year ended 28 February 2022 which had a significant effect on the Company.

#### **New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 March 2021 and not early adopted**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective for future reporting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 March 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- References to Conceptual Framework (Amendments to IFRS 3)

The following amendments are effective for the period beginning 1 March 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The adoption of these standards and amendments is not expected to have a material impact on the Financial Statements of the Company in future periods.

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The amendments also clarify that ‘settlement’ includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of liabilities.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### c) Estimates and judgements

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

There are no significant estimates or judgements which had a significant effect on the Financial Statements for the year ended 28 February 2022.

#### d) Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### e) Taxation

The taxation expense represents the sum of the current and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred taxation on all taxable temporary differences. Deferred tax assets and liabilities are recognised separately on the balance sheet. Deferred tax assets are recognised only to the extent that they are expected to be recoverable. Deferred taxation is recognised in the income statement unless it relates to taxable transactions taken directly to equity, in which case the deferred tax is also recognised in equity. The deferred tax is released to the income statement at the same time as the taxable transaction is recognised in the income statement. Deferred taxation on unremitted overseas earnings is provided for to the extent a tax charge is foreseeable.

#### f) Foreign currencies

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### g) Trade and other receivables

Trade and other receivables are recognised and carried at the lower of their original value less impairment.

#### h) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits. Bank overdrafts are repayable on demand and form an integral part of the Company's cash management.

#### i) Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

### 2. Turnover

	2022 £	2021 £
Corporate finance advisory fees	<u>4,167,391</u>	<u>1,785,020</u>

Turnover arises from the rendering of services and all turnover originates in the United Kingdom.

## Notes to the Financial Statements (continued)

### 3. Staff costs and key management compensation

#### a) Staff costs

	2022 £	2021 £
Wages and salaries	1,382,709	600,348
Social security costs	215,221	76,505
Other pension costs	10,135	21,050
	<u>1,608,065</u>	<u>697,903</u>

#### b) Average number of full-time employees

The average number of employees (including the Directors) during the year was four (2021: seven).

#### c) Key management compensation

	2022 £	2021 £
Key management compensation	<u>374,134</u>	<u>568,439</u>

Information regarding the highest paid director is as follows:

	2022 £	2021 £
Total emoluments	<u>374,134</u>	<u>568,439</u>

The other Directors are remunerated by other companies in the Braemar Plc group.

### 4. Operating profit/(loss)

The operating profit/(loss) from continuing operations represents the results from operations before taxation.

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Staff costs	1,608,065	697,903
Movement in bad debt provisions (Note 6)	485,920	581,428
Foreign exchange movement	<u>(51,129)</u>	<u>146,398</u>

### 5. Taxation

	2022 £	2021 £
UK corporation tax		
Current tax on income for the year	<u>195,683</u>	-
Total current tax	<u>195,683</u>	-

## Notes to the Financial Statements (continued)

### 6. Trade and other receivables

	2022	2021
	£	£
Trade receivables	2,639,561	588,148
Provision for impairment of trade receivables	(1,043,938)	(581,428)
Trade receivables - net	1,595,623	6,720
Amounts owed by group undertakings	291,316	42,436
Other receivables	1,095	900
Prepayments	4,835	10,037
	<u>1,892,869</u>	<u>60,093</u>

The Directors consider that the carrying amounts of trade and other receivables approximate to their fair value. Amounts owed by group undertakings are interest-free, unsecured and repayable on demand.

The Company's trade receivables are in general settled in less than 90 days. As at 28 February 2022, the total provision for impairment of trade receivables was £1,043,938 (2021: £581,428). Trade receivables of £558,798 (2021: £580,895) were over 12 months old and the expected credit loss provision on trade receivables less than 12 months old was £91,651 (2021: £553). The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.

### 7. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>984,646</u>	<u>1,222,395</u>

Cash and cash equivalents comprise bank balances denominated in Sterling, US dollars and Euros.

### 8. Trade and other payables

	2022	2021
	£	£
Trade payables	177,496	4,481
Amounts owed to group undertakings	1,664,032	2,149,541
Taxation	195,683	-
Accruals and deferred income	864,775	10,394
	<u>2,901,986</u>	<u>2,164,416</u>

The Directors consider that the carrying amounts of trade and other payables approximate to their fair value. Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

The amounts included within trade and other payables are expected to be settled in less than 12 months.

## Notes to the Financial Statements (continued)

### 9. Called up share capital

	2022	2021
	£	£
Allotted, issued and fully paid 25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

Each ordinary share has the right to one vote, on a poll, on any resolution proposed and to participate equally in any dividend or return of capital proposed. The shares are not redeemable.

### 10. Contingent liabilities

Under the terms of its banking arrangements the Company, its ultimate parent, Braemar Plc and its fellow trading subsidiaries have provided cross guarantees and fixed and floating rate charges over their assets to secure Group borrowing facilities and other financial instruments.

### 11. Ultimate parent undertaking and controlling party

The Company's ultimate parent undertaking is Braemar Plc, a company incorporated in England and Wales and traded on the London Stock Exchange.

The Company is included in the consolidated financial statements that have been prepared by Braemar Plc. The consolidated financial statements of the group are available to the public and may be obtained from Braemar Plc, One Strand, Trafalgar Square, London, WC2N 5HR.