

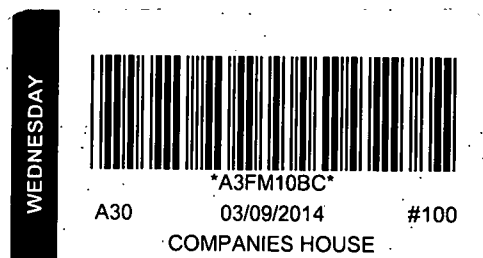
NW Brown Group Limited

Annual Report

Year ended 30 April 2014

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Company Information

Directors	A R Kefford - Chairman P B Burke M W Johnson C D R Manktelow H R Parnell R W Raywood P A Thorpe (Resigned 21 May 2014) L Turner S J Biggs O W Phillips (Appointed 1 May 2014) S Lenton (Resigned 18 July 2013)
Secretary	M J Tolond
Registered office	Richmond House 16-20 Regent Street Cambridge CB2 1DB
Registered number	3917262
Auditors	Grant Thornton UK LLP
Bankers	Lloyds TSB Bank plc Cater Allen Private Bank Svenska Handelsbanken AB The Royal Bank of Scotland Group Natwest Bank

NOTICE IS HEREBY GIVEN that the 2014 General Meeting of the NW Brown Group Limited will be held at Richmond House, 16-20 Regent Street, Cambridge, CB2 1DB on 22 August 2014 at 12.00pm.

For the purpose of transacting the following business:

As ordinary business:

1. To receive the director's report and financial statements for the year ended 30th April 2014,
2. To confirm the payment of £632,176.48 as dividend on Ordinary shares and £173,043.65 as dividend on Preference Shares,
3. To appoint Grant Thornton UK LLP as auditors of the Company until the next Annual General Meeting at which Accounts are laid and to authorise the directors to determine their remuneration,
4. To give authority in accordance with paragraph 47(3)(b) of Part 3 of Schedule 4 to the Companies Act 2006 (Commencement No 5, Transitional Provisions and Savings) Order 2007, (SI 200713495) to the directors to authorise matters giving rise to an actual or potential conflict for the purposes of section 175 of the Companies Act 2006.

NOTICE:

To the holders of Ordinary and Preference Shares:

Any member entitled to attend and vote at the meeting may appoint a Proxy to attend and vote on their behalf.

A proxy need not be a member of the Company.

Members holding Preference Shares shall be entitled to vote on any resolution at any general meeting of the Company save that each Preference Share shall in any poll be counted as one fourth of a vote and each Ordinary Share shall be counted as one vote.

Shareholders intending to attend are invited to tell the Company in advance by email to Liz.McCausland@nwbrown.co.uk

Chief Executive's Report on the Year

Our accounts show income higher than we budgeted before the impact of the sale of Insurance Brokers. In Freedom and Insurance Brokers results were substantially below those we hoped for.

We have a resilient and profitable business that we believe is capable of delivering good results on all sides. The profitable areas need little explanation but both Investment Management and Corporate Benefits exceeded expectations. Investment Management is in many ways the focus of the firm in that continuing fee business is what allows us to create and maintain the superstructure of advice, research, execution and accounting which is required to give clients the service they deserve. The funds under discretionary management at the year-end were £680 million (£630 million last year) which reflects a continuing inflow of new business both in Cambridge and in Norwich and good returns for our clients on their existing portfolios. Corporate Benefits continues to provide a first class service to employers for their pensions and other employee benefits and we have continued to see new clients, often as a result of auto enrolment requirements. We advise on pensions funds with an invested value in the region of £250 million (£195 million last year) million in this business.

We regard Financial Planning as the front door through which clients come to know and trust the firm and therefore we measure success in this area in more than just financial terms, but a better than break-even result is certainly required and we intend to achieve that. We advise on investments directly in collectives and indirectly via bonds of in the region of £267 million (£200 million last year). We are inevitably compared with Independent Financial Advisers (IFAs) and in many IFA businesses the somewhat higher fees and charges would make a business of this size profitable. We have always chosen to take a longer view and hope that over the long term we build more profitable relationships as a result. Our Norwich office has increased its profile within the local community and we have increased our profitability and market penetration. We have a very firm base and a great location from which to do this and expect growth to continue. Both in Norwich and Cambridge it is noticeable that planners and investment managers are working more closely than ever.

The growth of Freedom Insurance Services Limited (Freedom) and the associated OK To Travel Limited internet-based operation has continued. We took full ownership of the latter at the end of last year and we have traded profitably since. We believe that these operations have the potential to grow significantly over the next few years. We again await with eager anticipation the award of substantial new contracts in Freedom and again hope that the small loss reported in their accounts will be a substantial profit in the next set. The operation continues to be a model example of just how well a properly organised smoothly running operation of highly trained staff can function with high customer satisfaction and minimal levels of errors. The business is expanding but due to a series of identifiable and hopefully not repeatable problems our expenses increased at about the same rate. What we now need to do is turn higher turnover into higher profits and I hope to report on that next year. We will consider how best to deliver the fruits of this business to shareholders when we have a firmer profit base but in the meantime I would like to pay tribute to the way in which Terry Green has built a business from nothing to a turnover in excess of £1.5m in a few years.

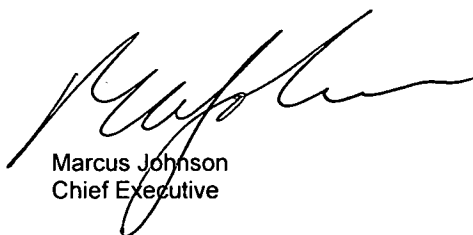
As you know we sold our shares in NW Brown Insurance Brokers Limited on 9 May 2014 but we remain close to our previous colleagues and intend to continue to have a mutually supportive relationship. It became apparent to the Board in recent years that the broking business was increasingly about niches and facilities as well as delivering high standards of service and competitive premiums to clients. We therefore came to the conclusion that this might be better achieved within a larger business and, as a consequence, we cemented our long standing co-operation with our Norwich friends Knowlden Titlow Insurance Brokers Limited under the common ownership of One Broker Limited. The increased resources and purchasing power of the joint operation will be to the benefit of insurance clients. NW Brown Insurance Brokers Limited will continue to offer every facility it currently has but it will additionally have direct access to those of Knowlden Titlow Insurance Brokers Limited. Insurance clients will hear more about the plans for extending and improving service in the next few months. John Knowlden and Robin Plaster have joined the Board of NW Brown Insurance Brokers Limited and I look forward to the two firms working closely in future years. The Cambridge team continue to function from our Regent Street offices. We are confident that, particularly in this 40th anniversary year, they intend to keep to the tradition of client service established by Nigel Brown in 1974. The decision to separate ownership was not an easy one but the high regard we have for the capabilities of Robin Plaster and his co-directors, coupled with a desire to help Phil Thorpe and his colleagues achieve their growth and development aspirations, underlies the reasoning behind the Board's unanimous decision to pursue the opportunity of the investment by One Broker Limited. We believe that staff and clients will be more secure and have a better future as part of the larger insurance operation. The early signs are encouraging.

Last year I talked about the fact that we had spent some time involved in negotiations which might have led to profound changes to the nature of the Group. These are "Would a combined business deliver better / more to our clients? Would we (or you) be able to better serve your clients in some way? Is there a set of potential clients out there who we would together attract who we would not attract separately?" It was a matter of some satisfaction to report that we had learned a lot about ourselves as well as our competitors and emerged with a renewed determination to make our businesses more successful. In the course of comparing systems and models we had a good look in the mirror and very much liked what we saw. We are doing rather well compared to others, we think we do it rather better and we know why we are doing it the way we are. But we can only stay independent as long as we make adequate margins on the business we do and we were told unambiguously by prospective partners that our fees and charges were too low, our staffing levels too high and our average client size not large enough. My message to the whole firm as a result has been that we must move upmarket and at the same time use technology to systematise all client processes. The whole financial services industry has moved (or in some cases needs to move) from processing clients one by one to managing them and processing their requirements in a methodical way. It really is combining mass production techniques and quality control with the individual client feeling he still matters and gets treated as such which is the key to running the business efficiently and profitably in future. We cannot as an industry afford to preserve the inefficiencies of the old cottage industry but we must in the NW Brown Group keep the client in a position where he feels he has individual attention at the time he

needs it. Any shareholder who has not seen our online offering should do so, this is the way we give the client absolutely bang up to date information about his affairs quickly and efficiently without manual intervention and save a lot of paper at the same time. Last year I said we had capital we could return to shareholders of up to £4m and believed we could sensibly use this to give existing shareholders an opportunity to sell their shares. We asked all shareholders to tender any shares they wished to sell and so far have bought back and cancelled slightly over £1million worth towards the top of the price range of £7 to £10 mentioned. Entrepreneurs' Relief is such a major consideration for any shareholder holding about five percent of our shares that we have tried to make sure all those contingently affected know what they need to do to get it. We expect to continue to buy in shares where they become available and anticipate that we will purchase more over the coming year.

It is with some embarrassment that I have to report that one of the good intentions I talked about in this report last year has not come to fruition, and as Chief Executive I have to take responsibility not only for the failure but also for admitting it was probably because we did not try hard enough. I said we would recruit investment managers in Norwich and we have not done so. We will try harder this year.

It is 40 years since Nigel set out in his kitchen to provide a sensible, honest source of financial advice in East Anglia. The number of clients who have been with us for decades are a measure of his success. As we enter our fifth decade I hope the spirit of his original enterprise still is strong and it seems to me the prospects for the Group have never been brighter. We are refining and improving the processes and IT we need to handle clients systematically whilst giving personal service; our colleagues are better qualified than ever, we have successfully recruited real high-flyers to our ranks and we have great client loyalty. We can be delighted with what we have but that should never stop us trying to improve our efficiency and client service. On behalf of the Board I would like to thank all our staff for getting us so far and encourage them to never stop looking for ways in which we can improve. I believe that most of us enjoy working here and that is one of the reasons our clients often compliment me on the friendly helpful treatment they get from our staff. May that continue for at least another four decades!



Marcus Johnson
Chief Executive

Strategic Report

Business review and principal activities

The principal activities of the Group are:

- Discretionary investment management;
- Pension, administration and advice on employee benefits, mortgages and financial planning;
- General insurance broking and specialist travel insurance broking

The principal activity of the Company is the provision of central administration facilities and finance to its subsidiary companies. A review of the Group's business and future developments is included in the Chief Executive's Report on the Year. Whilst there have been some disappointments over the last twelve months your Board is confident that the results and prospects demonstrate that your Group is in good health and well able to cope with the business it has and expects to gain.

Principal Risks

The main risks to this satisfactory situation continuing are a major long-term fall in the value of UK stock markets, severe misjudgements by your board on acquisition strategy, losses caused by successful new entrants in to the local market or unexpected liabilities created by advice or action which seemed innocuous at the time. We are also exposed to fraud directly or indirectly by virtue of our activities in financial markets and insurance. We believe we are better than most in the effectiveness of our controls but we can never relax and say we are 100% safe. The best protection for our clients and shareholders will always be a well motivated and trusted group of employees who take pride in their jobs. The best indication that we are succeeding is a growth in average client size, a growth in the number of clients and a rise in turnover. Worrying features would include a large rise in staff turnover, a rise in complaints or a decrease in client numbers or average size. We monitor these factors. In the last year we have seen a fall in the level of complaints and a broadly static level of staff turnover. We have seen an increase in both client numbers and average client size within Investment Management. This is consistent with our aim of moving upmarket. Our turnover is up in Investment Management and all other areas apart from NW Brown Insurance Brokers Limited.

Other risks

The Group also has various financial assets including equities, cash, and trade debtors. The existence of these assets exposes the Group to a number of financial risks, such as market risk and credit risk. The directors review and agree policies for managing each of these risks. The Group seeks to manage financial risks by ensuring sufficient liquidity is available to meet foreseeable needs and to invest its assets safely and profitably. The Group finances its operations through a mixture of retained equity and preference shares. The principal credit risk arises from the Group's trade debtors. To manage credit risk the directors monitor ageing debtors on a regular basis.

Outlook

The Board's overall view of prospects for our key markets is broadly positive, notwithstanding stock market volatility and ever increasing regulatory constraints. Investment Management is still attracting clients who want personal service and want to feel their assets are being prudently looked after. To keep our income at stable levels we must find new clients every year. In our financial services division we believe we have addressed the problems of recent years and this area should once again be contributing to profits over the next year. Our experience is that both individual and corporate clients value the dedicated, bespoke and personal service which is the common hallmark of the Group's activities and it will be these qualities which increasingly will sustain our position and support our growth in relevant markets in future. Freedom and its new internet based OKTT subsidiary are a fast-growing and increasingly significant part of the Group's turnover.

We continue to look at the major risks the Company faces, and estimate how much capital might be prudently required to accommodate reasonable risks and yet continue to trade at current levels of business in the areas in which we specialise. Our conclusion, which changes in quantum as our models are refined and which we are mandated by the FCA to disclose (BIPRU 11.3.1), is that the capital we currently have is more than required to cover all anticipated growth and any likely acquisitions for the foreseeable future. This confirmed your Board in its belief that a dividend policy of distributing half our post tax profits is both prudent and maintainable, and reinforces our commitment to profit sharing with those who work for us. The existence of revenue reserves built up over time means your Board can take a view as to sensible ways of interpreting this policy and the dividends we are likely to recommend will not be influenced by the sale of NW Brown Insurance Brokers noted in these accounts.

The challenge your Board faces is to continue to deliver a high quality personal service in each of our operating units whilst achieving growth and an acceptable profit margin. This involves investment in our people, in our systems and in our relationships with the outside world so that we can provide better value to our clients. Inevitably we must both try to move further up market where clients who can afford to pay us will get good value from our expertise, and to supply clients with similar needs at lower marginal cost. Better systems and high quality staff will enable us to meet this challenge. We believe we offer in Cambridge a regional source of financial expertise second to none. Our intention is to emulate this in Norwich. Shareholders who have not done so should visit Pembroke House, our Norwich premises, which is well on the way to restoration to its Victorian splendour. We hope to make it the vibrant hub of a top of the market investment and financial services operation over the next decade.

Your Board is confident that with skilled staff and our existing network of contacts we are in a very good position to achieve our ambitions. Our staff are the only reason we prosper and we have spent much time looking at ways to help all employees feel part

of the firm and to feel that their contribution is valued. A part of this is an explicit commitment to profit sharing. We continue to look at other ways of expressing the appreciation that we the Board feel for the efforts of every member of staff who helps make the Company an enjoyable and rewarding place to work. Many staff are shareholders and we continue to encourage this by facilitating the purchase and sale of shares by employees and by offering all staff loans to finance a stake in the Company. On your behalf we place here on record the appreciation of the Company for the extraordinary efforts put in by many employees to delivering the high quality service which is our hallmark.

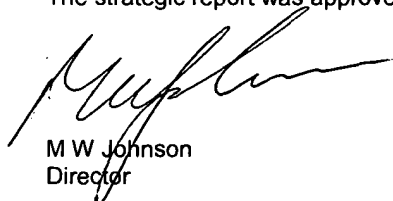
Our Green Commitment

Your Board will always work to minimise the impact of our activities on the environment. This includes recycling as much of the paper and plastic used at our offices as possible, donating old equipment to charity and finding ways to reduce energy consumption. We are committed to monitoring and managing our environmental impact, we encourage employees to use recycle bins and reduce energy and water waste where possible. As part of this commitment we will publish our energy and water usage every year and do so below:

	Electricity (KWh)	Gas (KWh)	Water (cubic metres)	No. Employees	Energy usage per head (KWh)	Water usage per head (cubic metres)
2014	105,875	118,335	1,653	125	1,794	13.22
2013	97,731	117,802	1,993	116	1,858	17.18

Approval

The strategic report was approved by the Board on 23 July 2014 and signed on its behalf by:



M W Johnson
Director

Directors' Report

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

Dividends

We expect to pay an interim dividend on 31 October. Subject to final confirmation as to the amount and no adverse events causing reconsideration your Board expects this to be about 52p per share. Dividends on ordinary shares of £632,176 (2013 : £445,227) and on preference shares of £173,044 (2013 : £123,127) have been paid during the year.

Directors

The present directors of the Company are included on page 2. All of the directors served throughout the year apart from O W Phillips who was appointed to the board on 1 May 2014 and S P Lenton who resigned on 13 July 2013.

Those directors who had beneficial and family interests in the shares of the company at 30 April are as follows:

	Ordinary shares of 0.01p each		Preference shares of 10p each	
	At 30 April 2014 No.	At 30 April 2013 No.	At 30 April 2014 No.	At 30 April 2013 No.
P B Burke	23,770	27,970	-	-
M W Johnson	397,488	372,842	559,790	615,790
C D R Manktelow	73,801	73,801	54,900	54,900
H R Parnell	15,052	15,052	-	-
R W Raywood	74,000	76,500	165,615	165,615
P A Thorpe	54,140	54,140	316,800	316,800
Ms L Turner	11,886	15,696	-	-
A R Kefford	5,826	826	-	-
O W Phillips	24,290	11,851	-	-

The following directors declared beneficial and family interests in share options in the ordinary share capital of the Company as follows:

	Approved share option plan						Date of grant
	2013 cumulative	Issued in the current year	Lapsed in current year	Exercised in year	2014 cumulative	Exercise price per share £	
P B Burke	16,667	-	-	-	16,667	6.00	1 Apr 2011
P B Burke	3,333	-	-	-	3,333	6.00	1 Apr 2013
L Turner	20,000	-	-	-	20,000	6.00	1 Apr 2011
C D R Manktelow	20,000	-	-	-	20,000	6.00	1 Apr 2013
O W Phillips	20,000	-	-	-	20,000	6.00	1 Apr 2011

The share options exercisable at £6.00 per share are, subject to certain conditions, exercisable five years from the date of grant and will lapse ten years from the date of grant.

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the Annual 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 UK Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 parent company and of the group and the profit or loss of the parent company and of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company and group's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and 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 parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

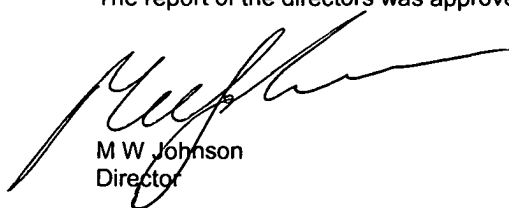
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors of the Group will be proposed at the forthcoming Annual General Meeting.

Approval

The report of the directors was approved by the Board on 23 July 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M W Johnson', is written over the printed name and title.

M W Johnson
Director

Independent Auditors' Report to the Members of NW Brown Group Limited

We have audited the financial statements of NW Brown Group Limited for the year ended 30 April 2014 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 7-8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge

5 August 2014

Consolidated Profit and Loss Account

For the year ended 30 April 2014

	Note	2014 £	2013 £
Turnover			
Continuing operations	2	8,067,123	7,438,203
Discontinued operations		1,628,493	1,753,804
		<hr/>	<hr/>
		9,695,616	9,192,007
Administrative expenses		(8,051,907)	(7,506,643)
Analysis of administrative expenses			
Continuing operations		(6,656,270)	(5,986,749)
Discontinued operations		(1,395,637)	(1,519,894)
		<hr/>	<hr/>
Other operating income		150,901	173,152
Analysis of other operating income			
Continuing operations		150,901	173,152
Discontinued operations		-	-
		<hr/>	<hr/>
Operating profit	3	1,794,610	1,858,516
Analysis of operating profit			
Continuing operations		1,561,754	1,624,606
Discontinued operations		232,856	233,910
		<hr/>	<hr/>
Interest receivable		61,066	116,567
Interest payable and similar charges	6	-	(416)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,855,676	1,974,667
Tax on profit on ordinary activities	7	(528,806)	(459,141)
		<hr/>	<hr/>
Profit for the year		<u>1,326,870</u>	<u>1,515,526</u>

The accompanying accounting policies and notes form part of these financial statements.

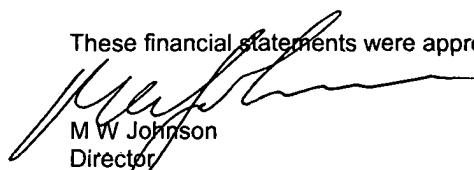
There were no recognised gains or losses other than those reported above.

Consolidated Balance Sheet

30 April 2014

	Note	2014 £	2013 £
Fixed assets			
Intangible assets	9	683,269	1,271,325
Tangible assets	10	1,357,425	1,192,261
Investments	11	1,627,793	1,587,787
		<hr/>	<hr/>
		3,668,487	4,051,373
		<hr/>	<hr/>
Debtors: amounts falling due after more than one year	14	220,556	-
Current assets			
Debtors	13	2,561,980	1,787,327
Cash at bank and in hand		3,702,448	4,731,086
		<hr/>	<hr/>
		6,264,428	6,518,413
Creditors: amounts falling due within one year	15	(2,966,691)	(2,765,151)
		<hr/>	<hr/>
Net current assets		3,297,737	3,753,262
		<hr/>	<hr/>
Total assets less current liabilities		7,186,780	7,804,635
Creditors: amounts falling due after more than one year	16	(56,000)	(56,000)
Provisions for liabilities	18	(206,500)	(206,500)
		<hr/>	<hr/>
Net assets		6,924,280	7,542,135
		<hr/>	<hr/>
Capital and reserves			
Ordinary share capital	19	114	122
Preference share capital	20	114,011	133,111
Capital redemption reserve	22	276,378	257,270
Share premium account	22	1,617,495	1,617,495
Special reserve	22	976,392	976,392
Profit and loss reserve	21	3,939,890	4,557,745
		<hr/>	<hr/>
Total equity shareholders' funds	23	6,924,280	7,542,135
		<hr/>	<hr/>

These financial statements were approved by the Board on 23 July 2014 and signed on its behalf by:



M W Johnson
Director

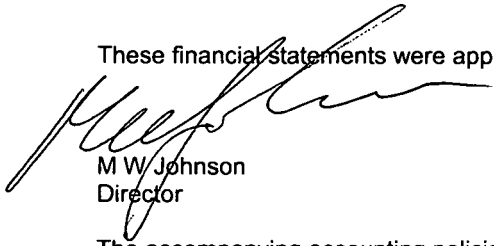
The accompanying accounting policies and notes form part of these financial statements.
Company number 3917262

Company Balance Sheet

30 April 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	10	93,077	42,554
Investments	11	4,100,330	4,092,840
		<hr/>	<hr/>
		4,193,407	4,135,394
		<hr/>	<hr/>
Current assets			
Debtors	13	2,547,740	2,664,442
Cash at bank and in hand		421,468	138,986
		<hr/>	<hr/>
		2,969,208	2,803,428
		<hr/>	<hr/>
Creditors: amounts falling due within one year	15	(1,399,569)	(710,327)
		<hr/>	<hr/>
Net current assets		1,569,639	2,093,101
		<hr/>	<hr/>
Total asset less current liabilities		5,763,046	6,228,495
		<hr/>	<hr/>
Provisions for liabilities	16	(206,500)	(206,500)
		<hr/>	<hr/>
Net assets		5,556,546	6,021,995
		<hr/>	<hr/>
Capital and reserves			
Ordinary share capital	19	114	122
Preference share capital	20	114,011	133,111
Capital redemption reserve	22	276,378	257,270
Share premium account	22	1,617,495	1,617,495
Special reserve	22	976,392	976,392
Profit and loss reserve	21	2,572,156	3,037,605
		<hr/>	<hr/>
Total equity shareholders' funds	23	5,556,546	6,021,995
		<hr/>	<hr/>

These financial statements were approved by the Board on 23 July 2014 and signed on its behalf by:



M W Johnson
Director

The accompanying accounting policies and notes form part of these financial statements

Company number 3917262

Consolidated Cash Flow Statement

Year ended 30 April 2014

	Note	2014 £	2013 £
Net cash from operating activities	24	2,054,993	3,101,937
Returns on investments and servicing of finance			
Interest received		61,066	116,567
Interest paid on finance element of compound instruments		-	(416)
		61,066	116,151
Taxation		(540,205)	(550,361)
Capital expenditure and investment			
Payments to acquire tangible fixed assets		(338,048)	(236,580)
Payments to acquire investments		(85,509)	(510,000)
Receipts from sale of investment		27,650	155,760
Advance of long term loan		(220,536)	-
		(616,443)	(590,820)
Equity dividends paid		(805,220)	(568,354)
Cash inflow before use of liquid resources and financing		154,191	1,508,553
Management of liquid resources			
Decrease in term deposit		-	-
Financing			
Issue of ordinary shares in the year		-	81,132
Redemption of share capital		(1,182,829)	(60,150)
Redemption of loan stock		-	(420,000)
		(1,182,829)	(399,018)
Increase / (decrease) in cash	25	(1,028,638)	1,109,535

The accompanying accounting policies and notes form part of these financial statements.

Notes to the Financial Statements

30 April 2014

1. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in the financial statements. The Company's profit for the year was £1,479,276 (2013: £1,701,619).

Basis of consolidation

The Group financial statements consolidate the results of the Company and its subsidiary undertakings at 30 April under acquisition accounting. Where activities meet the definition of discontinued in accordance with FRS3, the results of these activities are shown on the face of the profit and loss account as discontinued in the year. The prior year comparatives are restated accordingly.

Goodwill

Positive goodwill, which represents the excess of cost of acquisition of businesses over the value attributed to their net assets, is amortised through the profit and loss account by equal annual instalments over its estimated useful economic life. This is 5 years for NW Brown Financial Services Limited and was revised in the prior year to 14 years for NW Brown & Company Limited.

Tangible fixed assets and depreciation

Depreciation is provided evenly on the cost of tangible fixed assets to write them down to their estimated residual value over their estimated useful economic lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. The principal annual rates used are:

Freehold buildings	Over 50 years
Computer equipment	33% straight line
Office furniture and equipment	10% - 33% straight line
Fixtures	Over the remaining term of the lease

Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment in value. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Turnover

The Group accounting policy for turnover is as follows:

For the Investment Management, Corporate Benefits and Financial Planning revenue the turnover shown in the profit and loss account represents amounts earned in the year for services provided excluding value added tax.

For Insurance Brokers the turnover represents net income from insurance commissions earned during the year from insurance companies. The measure of income is that all items earned within the accounting period should be brought into income, with the measure of income earned being any commission relating to a policy which has become due to the Company by virtue of settlement being made to the insurer to be included in the calendar period within which the insurer was paid.

The income for any one year calculated as above is reduced by an amount estimated as the cost of the provision of claims services to reflect the fact that commission earned contains an element of payment for claims service for the following 12 months but it is impossible at any time to know precisely when or on which policies the expense will apply. Where sums are due from a client to an insurer and the insurer has in place an agreement that the Company may receive sums on their behalf ("risk transfer agreement") the amounts held for the insurer will be included in creditors before they are paid to the insurer, but the amounts due from the client to the insurer will not be recorded in debtors except in the unusual circumstances that the Company has settled with the insurer prior to receipt of funds from the client.

For Freedom the turnover represents net insurance commissions and medical screening fees earned during the year. Brokerage is recognised at the date of receipt of the premium from the insured.

Deferred taxation

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Where any part of an operating lease is sublet, the Group includes any rental income within other operating income.

Pensions

The Group contributes into employees' personal pension schemes. Contributions are charged to the profit and loss account as they become due.

Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted or the effective date of adoption of FRS 20 'Share-based Payments' using the Black Scholes model. The cost is recognised as an expense over the vesting period, which ends on the date on which the relevant employee becomes fully entitled to the award.

2. Turnover

The analysis of turnover by activity, all of which falls within the United Kingdom, is as follows:

	2014 £	2013 £
Investment Management	4,323,509	3,864,678
Insurance Broking	3,037,112	2,979,760
Corporate Benefits	824,501	805,975
Financial Services	1,510,494	1,541,594
	<hr/>	<hr/>
	9,695,616	9,192,007
	<hr/>	<hr/>

3. Operating Profit

Operating profit is arrived at after charging / (crediting):

	2014 £	2013 £
Amortisation of intangible fixed assets	588,056	588,056
Depreciation of owned assets	172,884	160,287
Profit on disposal of fixed assets and investments	(14,634)	-
Operating lease rentals		
Land and buildings	207,664	206,500
Rental income	(77,159)	(83,217)
Auditors' remuneration		
Fees payable to the Company's auditor for the audit of financial statements - Company	16,000	15,000
- Subsidiaries	38,000	36,000
Movement in provision against fixed asset investments	17,853	17,214
	<hr/>	<hr/>

4. Directors

Group emoluments of the Company directors:

	2014 £	2013 £
Emoluments	1,436,469	1,557,652
Pension contributions	451,560	206,451
	<u>1,888,029</u>	<u>1,764,103</u>

The number of directors accruing pension benefits:

	2014 No	2013 No
Money purchase pension schemes	<u>7</u>	<u>8</u>

The emoluments of the highest paid director are as follows:

	2014 £	2013 £
Emoluments	140,490	108,499
Pension contributions	101,914	50,074
	<u>242,404</u>	<u>158,573</u>

5. Employees

Average number of employees for the Group, including directors:
Group

	2014 No	2013 No
Professional staff	32	35
Office and administration	93	81
	<u>125</u>	<u>116</u>

Staff costs for the Group, including directors:

	2014 £	2013 £
Wages and salaries	4,421,731	4,386,990
Social security costs	440,922	439,582
Pension costs	696,946	410,994
Cost of employee share scheme (note 19)	43,324	48,256
	<u>5,602,923</u>	<u>5,285,822</u>

Company

	2014	2013
	No	No
Professional staff	6	6
Office and administration	13	14
	<u>19</u>	<u>20</u>

Staff costs for the Company, including directors:

	2014	2013
	£	£
Wages and salaries	785,414	713,200
Social security costs	80,966	88,990
Pension costs	70,714	40,404
Cost of employee share scheme (note 19)	43,324	48,253
	<u>940,418</u>	<u>890,847</u>

6. Interest Payable and Similar Charges

	2014	2013
	£	£
Other	-	416
	<u>-</u>	<u>416</u>

7. Taxation

	2014	2013
	£	£
Current taxation		
United Kingdom corporation tax	497,030	501,952
Adjustment in respect of prior period	4,150	(42,811)
Deferred tax	27,626	-
	<u>528,806</u>	<u>459,141</u>
Current tax reconciliation		
	2014	2013
	£	£
Profit on ordinary activities before tax	1,855,676	1,974,667
Theoretical tax at UK tax rate of 22.84% (2013 : 23.92%)	423,836	472,340
Effects of:		
Expenses not deductible for tax purposes	118,459	123,653
Depreciation in excess of capital allowances	(21,877)	858
Loans to participators	4,238	(94,899)
Adjustment in respect of prior period	4,150	(42,811)
	<u>528,806</u>	<u>459,141</u>

8. Deferred Taxation

	2014 £
Opening deferred tax asset	34,346
Utilised in the period	27,626
	<hr/>
Closing deferred tax asset	6,720
	<hr/> <hr/>

The subsidiary company, OK To Travel Limited, carries a deferred tax asset in respect of losses in the prior period. The asset is expected to be recovered through trading in later periods.

9. Intangible Fixed Assets

Group	Goodwill £
Cost	
At 1 May 2013	4,826,077
Additions	-
	<hr/>
At 30 April 2014	4,826,077
	<hr/>
Amortisation	
At 1 May 2013	3,554,752
Charge for the year	588,056
	<hr/>
At 30 April 2014	4,142,808
	<hr/>
Net book value	
At 30 April 2014	683,269
	<hr/>
At 30 April 2013	1,271,325
	<hr/> <hr/>

The Company does not have any intangible fixed assets (2013: Nil).

10. Tangible Fixed Assets

Group	Freehold Land & building £	Computer equipment £	Office furniture and equipment £	Total £
Cost				
At 1 May 2013	942,450	1,097,723	636,807	2,676,980
Additions	-	101,372	236,676	338,048
At 30 April 2014	942,450	1,199,095	873,483	3,015,028
Depreciation				
At 1 May 2013	33,360	974,983	476,376	1,484,719
Charge for the year	11,120	117,550	44,214	172,884
At 30 April 2014	44,480	1,092,533	520,590	1,657,603
Net book value				
At 30 April 2014	897,970	106,562	352,893	1,357,425
At 30 April 2013	909,090	122,740	160,431	1,192,261

Company	Computer equipment £	Office furniture and equipment £	Total £
Cost			
At 1 May 2013	338,496	261,682	600,178
Additions	70,860	33,954	104,814
At 30 April 2014	409,356	295,636	704,992
Depreciation			
At 1 May 2013	299,850	257,774	557,624
Charge for the year	50,027	4,264	54,291
At 30 April 2014	349,877	262,038	611,915
Net book value			
At 30 April 2014	59,479	33,598	93,077
At 30 April 2013	38,646	3,908	42,554

11. Fixed Asset Investments

Group	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 May 2013	1,377,577	335,045	1,712,622
Additions	74,108	11,401	85,509
Disposals	-	(27,650)	(27,650)
At 30 April 2014	1,451,685	318,796	1,770,481
Provisions			
At 1 May 2013	70,591	54,244	124,835
Provided in the year	(12,524)	30,377	17,853
At 30 April 2014	58,067	84,621	142,688
Net book value			
At 30 April 2014	1,393,618	234,175	1,627,793
At 30 April 2013	1,306,986	280,801	1,587,787

The market value of the listed investments as at 30 April 2014 was £1,417,270 (2013: £1,624,381).

Company	Investments in Group undertakings £	Unlisted investments £	Total £
Cost			
At 1 May 2013	4,005,049	112,215	4,117,264
Additions	-	7,490	7,490
At 30 April 2014	4,005,049	119,705	4,124,754
Provisions			
At 1 May 2013	-	24,424	24,424
Provided in the year	-	-	-
At 30 April 2014	-	24,424	24,424
Net book value			
At 30 April 2014	4,005,049	95,281	4,100,330
At 30 April 2013	4,005,049	87,791	4,092,840

Fixed Asset Investments (continued)

Details of Group undertakings at the balance sheet date are as follows:

Name of undertaking	Nature of business	Class of shares	Group and company holding %
NW Brown & Company Limited	Discretionary Investment Management Corporate Benefits, Pensions and Financial Planning advice	Ordinary	100
Freedom Insurance Services Limited	Insurance broking	Ordinary	100
NW Brown Financial Services Limited	Non-trading	Ordinary	100
NW Brown Insurance Brokers Limited	Insurance broking	Ordinary	100
NW Brown Property Limited	Commercial Property Letting	Ordinary	100
OK To Travel Limited	Insurance broking	Ordinary	100

All subsidiaries are registered in the UK.

The Group owned 100% of the ordinary share capital of the following companies all of which were dormant through the year; NW Brown ISA Nominees Limited; NW Brown Nominees Limited; NW Brown Trustees Limited; NW Brown Directors Nominees Limited; NW Brown Executive Limited Partnership; NW Brown Premium Finance Limited; DAN Holdings Limited; Travel Positive Limited; Life Positive Limited.

12. Dividends

During the year the Company paid an interim dividend of 52p per share on 1,215,724 ordinary 0.01p shares amounting to £632,176 (2013: £445,227). The Company also paid a dividend of £173,044 (2013: £123,127) on the cumulative preference shares (note 20).

13. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	1,069,575	387,823	5,000	1,543
Amounts owed by group undertakings	-	-	1,874,032	2,004,772
Other debtors	551,319	580,472	606,773	593,649
Prepayments and accrued income	941,106	819,032	61,935	64,478
	<u>2,562,000</u>	<u>1,787,327</u>	<u>2,547,740</u>	<u>2,664,442</u>

Included in the amounts owed by Group undertakings is a subordinated loan of £150,000 (2013 £150,000) provided to Freedom Insurance Services Limited to support their capital requirements required by the FCA.

14. Debtors: Amounts Falling Due After More Than One Year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Loan	220,536	-	-	-
	<u>220,536</u>	<u>-</u>	<u>-</u>	<u>-</u>

The loan was advanced on 30 April 2014. The loan is interest-free provided that the beneficiary holds an agreed percentage of their personal investments with the Group. If this condition ceases to be satisfied interest will be charged at 2% per annum. The loan is repayable by 31 December 2020.

15. Creditors: Amounts Falling Due Within One Year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	1,341,466	956,428	50,567	53,843
Corporation tax	170,623	209,647	11,171	-
Other tax and social security	330,394	345,825	17,852	21,048
Other creditors	384,104	420,783	4,876	108,001
Accruals and deferred income	740,104	832,468	222,338	144,837
Amounts owed to Group undertakings	-	-	1,092,765	382,598
	<u>2,966,691</u>	<u>2,765,151</u>	<u>1,399,569</u>	<u>710,327</u>

16. Creditors: Amounts Falling Due After More Than One Year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Borrowings (note 17)	56,000	56,000	-	-
	<u>56,000</u>	<u>56,000</u>	<u>-</u>	<u>-</u>

17. Borrowings

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Due after more than one year				
Liability component of 6% preference shares arising on acquisition	56,000	56,000	-	-
	<u>56,000</u>	<u>56,000</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>56,000</u>	<u>56,000</u>	<u>-</u>	<u>-</u>

18. Provisions for Liabilities

	Dilapidations	
	Group £	Company £
At 1 May 2013	206,500	206,500
Provided in the year	-	-
Released in the period	-	-
	<hr/>	<hr/>
At 30 April 2014	206,500	206,500
	<hr/>	<hr/>

The provision relates to repairs required to be made under the terms of the lease to return the property, at the end of the lease, to the same state as when the lease commenced. The underlying lease was renewed in December 2013 (note 26).

19. Ordinary Share Capital

	2014 £	2013 £
Called up, allotted and fully paid		
1,138,703 (2013: 1,215,724) ordinary shares of 0.01p each	114	122
	<hr/>	<hr/>

Issue/redemption of shares

No shares were issued in the year and no share options were granted. During the year the company purchased 77,021 ordinary shares for consideration of £730,159 and 191,000 preference shares for consideration of £452,670. All of these shares were cancelled within the period.

Share options

The following share options have been granted under an approved share option scheme in respect of ordinary shares of 0.01p each.

2013 cumulative	Lapsed	Issued	Exercised in year	2014 cumulative	Exercise price per share £	Date of grant
12,500	(12,500)	-	-	-	4.00	1 December 2005
102,501	(20,000)	-	-	82,501	6.00	1 April 2011
76,667	(3,334)	-	-	73,333	6.00	1 April 2013
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		
191,668	(35,834)	-	-	155,834		
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		

The share options exercisable at £4.00 per share are, subject to certain conditions, exercisable five years from the date of grant and will lapse ten years from the date of grant.

The share options exercisable at £6.00 per share are, subject to certain conditions, exercisable five years from the date of grant and will lapse ten years from the date of grant.

The company recognised an expense of £43,324 (2013: £48,256) in relation to equity settled share-based payment transactions in the year.

20. Cumulative Preference Shares

	2014 £	2013 £
Called up, allotted and fully paid		
1,140,105 (2013: 1,331,105) cumulative preference shares of 10p each	114,011	133,111

The preference shares accrue dividends per share equal to one quarter of any dividend declared on the ordinary shares at any time. The preference share dividends take priority over the ordinary dividends. In the event of a winding up or liquidation of the Company any surpluses shall be applied first to any arrears of preference dividends and then to repaying the issue price of the preference shares.

21. Profit and Loss Reserve

	Group 2014 £	Company 2014 £
At 1 May 2013	4,557,745	3,037,605
Profit for the year	1,326,870	1,479,276
Purchase of shares	(1,182,829)	(1,182,829)
Dividends	(805,220)	(805,220)
Share option charge	43,324	43,324
At 30 April 2014	3,939,890	2,572,156

22. Other Reserves

	Share premium account	Capital redemption reserve	Special reserve
Group and Company	£	£	£
At 1 May 2013	1,617,495	257,270	976,392
Purchase of shares	-	19,108	-
At 30 April 2014	1,617,495	276,378	976,392

23. Reconciliation of Movements in Shareholders' Funds

Group	2014	2013
	£	£
Profit for the year	1,326,870	1,538,668
Dividends	(805,220)	(568,354)
Share option charge	43,324	48,256
	<hr/>	<hr/>
	564,974	1,018,570
New shares issued – Premium	-	137,127
– Capital	-	2
Shares to be issued	-	(55,998)
Purchase of shares	(1,182,829)	(60,150)
	<hr/>	<hr/>
Net increase in shareholders' funds	(617,855)	1,039,551
Opening shareholders' funds	7,542,135	6,502,584
	<hr/>	<hr/>
Closing shareholders' funds	6,924,280	7,542,135
	<hr/> <hr/>	<hr/> <hr/>

Company	2014	2013
	£	£
Profit for the year	1,479,276	1,701,619
Dividends	(805,220)	(568,354)
Share option charge	43,324	48,256
	<hr/>	<hr/>
	717,380	1,181,521
New shares issued – Premium	-	137,127
– Capital	-	2
Shares to be issued	-	(55,998)
Purchase of shares	(1,182,829)	(60,150)
	<hr/>	<hr/>
Net increase in shareholders' funds	(465,449)	1,202,502
Opening shareholders' funds	6,021,995	4,819,493
	<hr/>	<hr/>
Closing shareholders' funds	5,556,546	6,021,995
	<hr/> <hr/>	<hr/> <hr/>

24. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2014 £	2013 £
Operating profit	1,794,610	1,858,516
Amortisation of intangible assets	588,056	588,056
Depreciation charge	172,884	160,287
(Increase) / decrease in debtors	(802,288)	258,945
Increase in creditors	240,554	170,663
Increase in provisions for fixed asset investment impairment	17,853	17,214
Share option charge	43,324	48,256
	<hr/>	<hr/>
Net cash inflow from operating activities	2,054,993	3,101,937
	<hr/>	<hr/>

25. Reconciliation of Net Cash Flow to Movement in Net Funds

	2014 £	2013 £
Increase /(decrease) in cash in the year	(1,028,638)	1,109,536
Repayment of borrowings	-	420,000
	<hr/>	<hr/>
Change in net funds	(1,028,638)	1,529,536
Net cash/(debt) at the beginning of the year	4,731,086	3,201,550
	<hr/>	<hr/>
Net cash at 30 April	3,702,448	4,731,086
	<hr/>	<hr/>

26. Operating Lease Commitments

The Company and the Group had the following annual commitments under non-cancellable operating leases at the balance sheet date.

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Land and buildings leases expiring:				
After more than five years	210,000	206,500	210,000	206,500
	<hr/>	<hr/>	<hr/>	<hr/>
	210,000	206,500	210,000	206,500
	<hr/>	<hr/>	<hr/>	<hr/>

The company's lease of its Cambridge premises at 16 Regent Street expires on 24 December 2033. The company has sublet, under operating leases to third parties, a part of the land and buildings leased above.

27. Post Balance Sheet Events

On 9 May 2014 the entire share capital of NW Brown Insurance Brokers Limited was sold to One Broker Limited for a total consideration of up to £3.4 million. The result of NW Brown Insurance Brokers has been treated as discontinued activities in the year.

28. Related Party Transactions

Certain directors of the Company and other Group subsidiaries have entered into insurance arrangements facilitated by the subsidiary NW Brown Insurance Brokers Limited or mortgage related through the subsidiary NW Brown & Company Limited. The business is undertaken on staff terms. On insurance business commission is rebated to the insured when received from the insurer. On mortgage business no fees are charged. Close family members are also offered staff terms and directors are granted credit terms in excess of those generally given to clients. Most directors of associated companies conduct some of their household, motor or other insurances through the Group.

Certain directors of the Company and other Group subsidiaries who have entered into SIPP arrangements through the subsidiary NW Brown & Company Limited do so on preferential terms – that is, that fees are reduced or waived. Close family members are also offered staff terms.

Certain directors of the Company and other Group subsidiaries are required to conduct their securities business through the subsidiary NW Brown & Company Limited and do so on staff terms – that is a reduced commission scale applies. Directors working full time in the investment division do not pay management fees when they are managing their own or closely related family funds. All other directors who have discretionary funds managed by the Group pay fees that are reduced from those which would be paid by unrelated clients.

The Company provides administrative services in respect of Group personal pensions with Standard Life at no cost to members of staff, including several directors.

Kirly Limited, a company controlled by M W Johnson and his family, its subsidiaries and its pension scheme, have investments managed by NW Brown & Company Limited on staff terms. NW Brown (Trustees) Limited is a trustee of the Kirly pension scheme, and is remunerated on an arm's length basis.

H R Parnell provides consultancy services to the Group through HRP Consulting & Training Limited. The Group paid £14,738.66 (2013: £21,423.98) in respect of these services during the year of which £1,155 (2013 : £nil) was outstanding at the year end.

The Eastern Alliance Limited, a company of which P A Thorpe is a director, is a collective of independent insurance brokers, including NW Brown Insurance Brokers, designed to obtain higher service standards and reduce administration burdens and negotiate favourable commission rates for its members with major insurance companies. Mr Thorpe receives no remuneration for his directorship.

Anglian Archives Limited, a company controlled by M W Johnson and his family, provides confidential waste disposal services to the Group. Transactions are dealt with on an arms length basis and on normal terms. The Group paid Anglian Archives Limited £4,318.02 (2013: £3,272.82) during the year of which £nil (2013: £150.48) was outstanding at the year end. A R Kefford is also a director of Anglian Archives Limited and has an interest in the share capital of the Company.

In the course of negotiations with One Broker Limited on the sale of NW Brown Insurance Brokers Limited it became obvious that the transaction would not complete on our desired timetable if the bank conditions of an external audit were to be fulfilled and to facilitate the sale an associated party, Kirly Limited, agreed to make a loan of £1,250,000 to One Broker Limited on the same terms as were demanded by the bank. Kirly Limited is a substantial shareholder of NW Brown Group Limited and M W Johnson and his family effectively control Kirly Limited. The terms of the loan are Base plus 4% and a fee of 1% was payable on drawdown. The terms are considered arm's length by the Company.

Interest free loans of up to £5,000 are made available to all staff to purchase NW Brown Group Limited shares. The following loans to directors and subsidiary directors were outstanding at the year end. Interest is charged at the HMRC official rate on all loans over the HMRC interest-free limit.

	Loan from Group / Company		Interest on loan	
	2014	2013	2014	2013
	£	£	£	£
P B Burke	2,850	3,300	-	-
J Steward	50,051	101,172	4,778	4,220
S Lenton	135,234	125,052	4,842	4,289
L Turner	50,888	91,217	3,078	3,654
O Phillips	127,013	32,595	913	1,246
S Biggs	-	-	-	114
R Rampley	13,648	14,674	111	787
T Green	-	972	-	-
	<u>379,684</u>	<u>477,092</u>		