

Company registration number 07899358 (England and Wales)

**BRAEMAR ATLANTIC SECURITIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2022**

# **BRAEMAR ATLANTIC SECURITIES LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	A T Borthwick T P Simmonds N P Stone
<b>Secretary</b>	P T J Mason
<b>Company number</b>	07899358
<b>Registered office</b>	1 Strand Trafalgar Square London WC2N 5HR
<b>Auditor</b>	FLB Accountants LLP 250 Wharfedale Road Winnersh Triangle Wokingham Berkshire RG41 5TP

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# **BRAEMAR ATLANTIC SECURITIES LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 20

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# **BRAEMAR ATLANTIC SECURITIES LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 28 FEBRUARY 2022**

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The directors present the strategic report for the year ended 28 February 2022.

#### **Principal Activity**

The principal activity of the company during the year was to facilitate commodity and commodity derivatives business for professional clients. The company is regulated by the Financial Conduct Authority.

#### **Fair review of the business**

The Board of Directors is pleased with the company's performance for the period. During the period the company generated revenue of £8,080,589 (2021: £3,215,400).

#### **Financial Risk, management objectives and policies**

The directors have identified the financial risk management objectives as minimising any threats to the continued financial wellbeing and stability of the company. The directors seek to minimise financial risk through the maintenance of a system of internal controls, sourcing products and services at the most competitive prices and maintaining close relationships with customers.

The directors are responsible for the company's system of internal controls and for evaluating its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Key elements of the company's system of internal controls include management accounts including comparison with prior periods and ad-hoc reports produced for the directors when deemed necessary by senior management. Reliance is placed on senior management to ensure effective control.

#### **Principal risks and uncertainties**

In the last few years regulatory change has been the principle risk for an Introducing Broker, but we believe that the company has the necessary funding and structure in place to operate successfully in these new environments. We work closely with various partners to ensure that we have the foresight for any changes that could come to our marketplace.

The company operates in a highly competitive market and is subject to currency fluctuations.

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. The key business risks and uncertainties affecting the group are considered to relate to regulation, licensing and regulatory compliance, data management and cyber security, technology infrastructure, systems stability and availability, business continuity planning and disaster recovery, financial exposure and financial reporting, competition and brand, reliance on third parties and key supplier relationships, health and safety and key employees recruitment and retention.

Risks are formally reviewed by the Braemar Board and appropriate processes are put in place to mitigate them. It is possible that the overall effect of such events would result in adverse implications for the company.

#### **Liquidity risk**

The company manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its business.

#### **Interest rate risk**

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on bank overdrafts.

#### **Foreign currency risk**

The company's principal foreign currency exposures arise from trading operations with overseas companies. company policy permits but does not demand that these exposures may be hedged in order to fix the cost in Sterling. This hedging activity involves the use of foreign exchange forward contracts.

# **BRAEMAR ATLANTIC SECURITIES LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 28 FEBRUARY 2022***

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### **Key performance indicators**

The directors believe the KPIs of the Company are revenue and profit before tax. In the year ended 28 February 2022 revenue of £8,080,589 (2021: £3,215,400) generated a profit before taxation of £1,957,767 (2021: £21,192 ).

The average number of employees employed during the period was 15 (2021: 16).

On behalf of the board

A T Borthwick  
**Director**

27 May 2022

# **BRAEMAR ATLANTIC SECURITIES LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 28 FEBRUARY 2022***

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The directors present their annual report and financial statements for the year ended 28 February 2022.

#### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A T Borthwick  
T P Simmonds  
N P Stone  
J C D Gundy

(Resigned 2 March 2021)

#### **Political donations**

No donations or payments were made to political parties, other political organisations in the EU or any independent election candidate. No political expenditure was incurred during the year ended 28 February 2022 or the year ended 28 February 2021.

#### **Post reporting date events**

There are no reportable post balance sheet events.

#### **Auditor**

The auditor, FLB Accountants LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Energy and carbon report**

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

#### **Statement of directors' responsibilities**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **BRAEMAR ATLANTIC SECURITIES LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 28 FEBRUARY 2022***

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

A T Borthwick  
**Director**

27 May 2022

# **BRAEMAR ATLANTIC SECURITIES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BRAEMAR ATLANTIC SECURITIES LIMITED**

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#### **Opinion**

We have audited the financial statements of Braemar Atlantic Securities Limited (the 'company') for the year ended 28 February 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



# **BRAEMAR ATLANTIC SECURITIES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BRAEMAR ATLANTIC SECURITIES LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We have gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures at company levels to respond to the risk, recognising that risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the companies Act 2006, taxation legislation, financial authority regulation, data protection, anti-bribery and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included inquiries of management their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

## **BRAEMAR ATLANTIC SECURITIES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF BRAEMAR ATLANTIC SECURITIES LIMITED**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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.

**Daniel Faust (Senior Statutory Auditor)**  
**For and on behalf of FLB Accountants LLP**  
**Statutory Auditor**  
250 Wharfedale Road  
Winnersh Triangle  
Wokingham  
Berkshire  
RG41 5TP

27 May 2022

## BRAEMAR ATLANTIC SECURITIES LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	2022 £	2021 £
Turnover	3	8,080,589	3,215,400
Cost of sales		(4,862,479)	(2,022,681)
<b>Gross profit</b>		<b>3,218,110</b>	<b>1,192,719</b>
Administrative expenses		(1,260,524)	(1,173,772)
<b>Operating profit</b>	4	<b>1,957,586</b>	<b>18,947</b>
Interest receivable and similar income	8	181	2,245
<b>Profit before taxation</b>		<b>1,957,767</b>	<b>21,192</b>
Tax on profit	9	-	(3,753)
<b>Profit for the financial year</b>		<b>1,957,767</b>	<b>17,439</b>

# BRAEMAR ATLANTIC SECURITIES LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10		7,819		-
<b>Current assets</b>					
Debtors	11	2,884,509		549,593	
Cash at bank and in hand		2,760,515		1,428,549	
		<u>5,645,024</u>		<u>1,978,142</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,195,984)</u>		<u>(479,050)</u>	
<b>Net current assets</b>			3,449,040		1,499,092
<b>Net assets</b>			<u>3,456,859</u>		<u>1,499,092</u>
<b>Capital and reserves</b>					
Called up share capital	14		146,198		146,198
Share premium account			169,363		169,363
Profit and loss reserves			<u>3,141,298</u>		<u>1,183,531</u>
<b>Total equity</b>			<u>3,456,859</u>		<u>1,499,092</u>

The financial statements were approved by the board of directors and authorised for issue on 27 May 2022 and are signed on its behalf by:

A T Borthwick  
Director

Company Registration No. 07899358

# BRAEMAR ATLANTIC SECURITIES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 March 2020	146,198	169,363	1,166,092	1,481,653
<b>Year ended 28 February 2021:</b>				
Profit and total comprehensive income for the year	-	-	17,439	17,439
Balance at 28 February 2021	146,198	169,363	1,183,531	1,499,092
<b>Year ended 28 February 2022:</b>				
Profit and total comprehensive income for the year	-	-	1,957,767	1,957,767
Balance at 28 February 2022	146,198	169,363	3,141,298	3,456,859

### Share capital

Called up share capital reserve represents the nominal value of the shares issued.

### Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

### Retained earnings

Retained earnings reserve represents cumulative profits and losses, net of dividends paid and adjustments.

# BRAEMAR ATLANTIC SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 28 FEBRUARY 2022**

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### **1 Accounting policies**

#### **Company information**

Braemar Atlantic Securities Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Strand, Trafalgar Square, London, WC2N 5HR.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Braemar Shipping Services Plc. These consolidated financial statements are available from its registered office, 1 Strand, Trafalgar Square, London, WC2N 5HR.

#### **1.2 Going concern**

The financial statements have been prepared on the assumption that the company is a going concern. When assessing the foreseeable future, the directors have looked at both the budget for the next 12 months from the date of this report and the cash at bank available as at the date of approval of this report and are satisfied that the company should be able to cover its activities and meet its short-term liabilities.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue is recognised in accordance with the satisfaction of performance obligations. Revenue comprises commission arising from fees relating to the facilitation of commodity and commodity derivatives. Income derived from commodity broking and commission is recognised when the services have been performed.

# BRAEMAR ATLANTIC SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	25% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# BRAEMAR ATLANTIC SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.



# BRAEMAR ATLANTIC SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or 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 tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# BRAEMAR ATLANTIC SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 1 Accounting policies

(Continued)

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Impairment of debtors

assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors, the existence of any disputes, the debtor's financial position and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

### 3 Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company.

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Commodity broking	8,080,589	3,215,400

# BRAEMAR ATLANTIC SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 3 Turnover (Continued)

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	8,080,589	3,215,400

### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	1,103	-

### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	8,500	8,500

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Totals	15	16

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,345,902	2,340,764
Social security costs	634,884	52,952
Pension costs	117,390	31,012
	5,098,176	2,424,728

# BRAEMAR ATLANTIC SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	220,733	294,642
Company pension contributions to defined contribution schemes	13,958	28,500
	<u>234,691</u>	<u>323,142</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	217,000	291,500
Company pension contributions to defined contribution schemes	13,958	25,800
	<u>230,958</u>	<u>317,300</u>

During the year and the prior period, some directors were remunerated by other group companies for their services to the group as a whole and it is not practicable to apportion their remuneration between the companies of which they are a director. Consequently, directors' remuneration includes the amounts only paid from this company.

### 8 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	181	2,245
	<u>181</u>	<u>2,245</u>

### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
Adjustments in respect of prior periods	-	3,753
	<u>-</u>	<u>3,753</u>

# BRAEMAR ATLANTIC SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	1,957,767	21,192
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	371,976	4,026
Tax effect of expenses that are not deductible in determining taxable profit	17,082	3,826
Tax effect of income not taxable in determining taxable profit	-	(427)
Adjustments in respect of prior years	-	3,753
Group relief	(387,064)	(7,425)
Permanent capital allowances in excess of depreciation	(1,994)	-
Taxation charge for the year	-	3,753

### 10 Tangible fixed assets

	Computers £
<b>Cost</b>	
At 1 March 2021	15,697
Additions	8,922
Disposals	(12,007)
At 28 February 2022	12,612
<b>Depreciation and impairment</b>	
At 1 March 2021	15,697
Depreciation charged in the year	1,103
Eliminated in respect of disposals	(12,007)
At 28 February 2022	4,793
<b>Carrying amount</b>	
At 28 February 2022	7,819
At 28 February 2021	-

# BRAEMAR ATLANTIC SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

### 11 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,296,378	490,255
Amounts owed by group undertakings	1,500,000	-
Other debtors	32,732	21,799
Prepayments and accrued income	55,399	37,539
	<u>2,884,509</u>	<u>549,593</u>

The balance of trade debtors shown above is net of specific provisions of £21,227 (2021: £7,955) in respect of impairment for bad debts.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	66,989	36,006
Amounts owed to group undertakings	244,669	223,399
Accruals and deferred income	1,884,326	219,645
	<u>2,195,984</u>	<u>479,050</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 13 Retirement benefit schemes

	2022	2021
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>117,390</u>	<u>31,012</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 14 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary of £1 each	<u>146,198</u>	<u>146,198</u>	<u>146,198</u>	<u>146,198</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

# **BRAEMAR ATLANTIC SECURITIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 28 FEBRUARY 2022**

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### **15 Related party transactions**

The company has taken disclosure advantages of Section 33, Related Party Disclosures, paragraph 33.1A from disclosing transactions entered into between two or more wholly owned members of a group.

### **16 Ultimate controlling party**

The immediate parent undertaking is Braemar Atlantic Securities Holdings Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking is Braemar Shipping Services 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 Shipping Services Plc. The consolidated financial statements of the group are available to the public and may be obtained from Braemar Shipping Services Plc, 1 Strand, Trafalgar Square, London, WC2N 5HR.

### **17 Financial Risk Management**

The directors constantly monitor the financial risks to which the company is exposed, in order to detect those risks in advance and take the necessary action to mitigate them through regular review by the board.

#### **Fair value estimation**

The fair value of financial assets and financial liabilities are estimated for recognition and measurement and for disclosure purposes. The carrying value of cash, trade receivables and other receivables, trade and other payables approximate to their fair values due to their short term nature.

#### **Liquidity risk**

The company has adopted a series of policies and procedures whose purpose is to optimise the management of funds and to reduce the liquidity risk, as follows:

- maintaining an adequate level of available liquidity; and
- monitoring future liquidity on the basis of business planning.

Management believes that the funds and credit lines currently available, in addition to those funds that will be generated from future operating, will enable the company to satisfy its requirements resulting from its working capital needs and to fulfil its obligations to repay its debts at their natural due date.

Trade payables and other taxes and social security costs fall due for payment within thirty days.

#### **Market risk**

The company does not currently have any material borrowings affected by interest rates. The high level of foreign currency transactions (mainly on trade receivables) are safeguarded by currency forward contracts, thus mitigating the risk of exposure to currency risk.

#### **Credit risk**

No credit limits were exceeded during the reporting period, and management does not expect any losses in respect of receivables due as at the year end.

#### **Capital risk management**

The company aims to manage its overall capital so as to ensure that the company continues to operate as a going concern.

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