

Financial Statements

Barratt & Cooke Limited

For the Year Ended 31 March 2017



Registered number: 05378036

Barratt & Cooke Limited

Company Information

Directors	C W L Barratt W J Barratt S C L Barratt R K E Nicholson (Non-executive) W J Mellor M Piercy J M Hunter (Non-executive)
Company secretary	S C L Barratt
Registered number	05378036
Place of business	Grant Thornton House 22 Melton Street London NW1 2EP
Trading Address	5 Opie Street Norwich NR1 3DW
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 101 Cambridge Science Park Milton Road Cambridge Cambridgeshire CB4 0FY
Solicitors	Mills & Reeve LLP 1 St James Court Whitefriars Norwich NR3 1RU

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Chairman's Statement

For the Year Ended 31 March 2017

The chairman presents his statement for the period.

The advisory team, which is now led by William Barratt and Will Mellor, not only continues to focus on increasing funds under management (which is up to £1.4bn approx.) and the quality of portfolio, but also the level of service each client receives. Over recent times we have seen client portfolios (subject to mandate and risk) become increasingly globally diverse through holdings in individual equities based overseas (specifically in the pharmaceutical, consumer brand, engineering and technology sectors). Whilst the 'net has been cast wider' in terms of a more global remit, the investment ethos remains the same with a focus on top quality companies.

We continue to pride ourselves on giving good, sound, clear advice where our focus is on both client performance and helping the individual to understand how markets are performing. In recent times, where political events have been as turbulent as we have seen in a generation, we have been happy to give as much narrative as possible to explain the reaction of markets. Funds under management have continued to increase and with the introduction of new thresholds for minimum investment, the average size of clients continues its upward trend.

The accounts show that 2015/16 had been a year of consolidation and 2016/17 has continued this healthy trend in uncertain times. Barratt and Cooke remains efficient, profitable and, crucially, our cash flow and balance sheet enable us to absorb any large one-off costs such as property e.g. redecoration and changing the map of the building; infrastructure i.e. computer systems and software updates; or compliance, with levies charged against us.

Sam Barratt has now taken over the Managing Director's role from Martin Warren, who was with Barratt & Cooke for 38 years. The handover has been managed extremely well and has been greeted with great optimism by the staff. Sam works closely with Miles Piercy, who having headed our dealing department, has hands on experience of running the mechanics of the office. Both Sam and Miles focus on the operational and compliance aspects of the business.

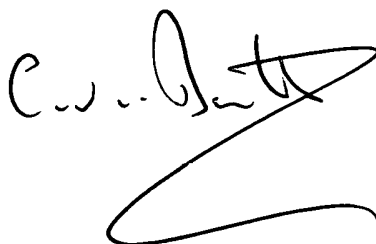
We have added James Hunter (a partner of Mills & Reeve, Solicitors) to our Board of Non-Executive Directors, joining Roy Nicholson, on 1st April 2016.

With a relatively young management team (albeit with a few 'older shoulders' in the background) I feel Barratt and Cooke is very well positioned for the future and I look forward with great optimism. The reason I believe I am able to be positive is because of the whole team, where our loyal staff understand that the client must be given an outstanding service. I am very grateful to all our employees who all understand the culture of the business. We are also fortunate to retain a strong client base of loyal clients who realise our performance, fee structure and service is very competitive amongst our peers.

I would like to thank all our staff for their hard work, to not only make Barratt and Cooke an efficient, profitable and sustainable business, but above all a happy place to work, which hopefully crosses into family life.

Despite ongoing concerns in the industry and the risks of market volatility it is "onwards and upwards" at Barratt and Cooke as we look forward with confidence to 2017/18.

Thank you



C W L Barratt
Chairman

Date 19 June 2017

Strategic Report

For the Year Ended 31 March 2017

Principal activities

The principal activity of the Company during the year was that of an independently owned firm of stockbrokers. A review of the business can be found in the Chairman's statement.

Financial key performance indicators

Key performance indicators are:

	2017	2016
Turnover (£)	8,196,482	7,983,016
Operating profit (£)	2,034,694	1,838,607
Fixed asset investments (£)	12,053,581	11,266,840
Firm's cash (£)	5,466,618	4,208,514
Equity shareholders' funds (£)	18,048,683	16,270,745
Average number of employees	53	51

Principal risks and uncertainties

The Company's core activities are stockbroking and management of investments. In common with other businesses carrying out similar activity, the principal risks and uncertainties that it faces are fluctuations in the stock market and loss of customer confidence in the financial markets. The directors believe that the Company is well placed to successfully deal with any such challenges should they arise.

Financial risk management objectives and policies

The Company uses various financial instruments including deposit accounts, cash and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to ensure sufficient finance for the Company's operations.

The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below. The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from the previous year.

Credit risk

The Company's principal credit risk relates to the recovery of amounts owed by clients and counterparties. In order to manage credit risk, there are set limits for customers which are reviewed on a regular basis. Debts are regularly chased.

Strategic Report

For the Year Ended 31 March 2017

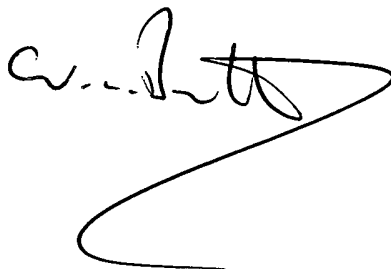
Liquidity risk

The directors consider that liquidity and cashflow are of high importance and therefore monitor it closely. As a result of positive cashflows from activity and the strong net asset position, the directors have not identified any issues with liquidity or cashflow during the year. The directors have increased the cash weighting of the investments to £1million which is on instant access and these funds may be required to meet client money requirements. This area is closely monitored to ensure the Company's procedures continue to operate effectively in order to minimise risk.

The directors continue to build up the liquid capital of the Company, reflecting the growing business and the risks involved in the industry. The directors have chosen to build up Cash and Gilts to minimise, as far as possible, the risks associated with investments.

This report was approved by the board on 19 June 2017 and signed on its behalf.

C W L Barratt
Director

A handwritten signature in black ink, appearing to read 'C. W. L. Barratt', with a large, sweeping flourish underneath.

Directors' Report

For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Results and dividends

The profit for the year, after taxation, amounted to £2,238,516 (2016 - £1,736,066).

A dividend of £460,578 was declared to the parent company Barratt & Cooke Holdings Limited in the year.

Donations

The Company donated £26,836 (2016: £13,396) to local charities during the year and intends to make further donations in 2017/2018.

Barratt & Cooke use their fund at the Norfolk Community Foundation to make major donations.

Fixed Assets

In the opinion of the directors, the market value of the freehold land and buildings at 31 March 2017 would exceed the book value included in the financial statements but they are unable to quantify this excess in the absence of a full professional valuation, the costs of which are not considered justifiable in view of the Company's intention to retain ownership of the freehold land and buildings for use in its existing business for the foreseeable future.

Directors

The directors who served during the year were:

C W L Barratt

W J Barratt

S C L Barratt

R K E Nicholson (Non-executive)

W J Mellor

M Piercy

J M Hunter (Non-executive) (appointed 1 April 2016)

Directors' liability insurance

During the year the Company maintained liability insurance for its directors, as permitted by Section 233 of the Companies Act 2006. Neither the Company's indemnity nor insurance provides cover in the event that a director is proved to have acted fraudulently or dishonestly.

Directors' Report (continued)

For the Year Ended 31 March 2017

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

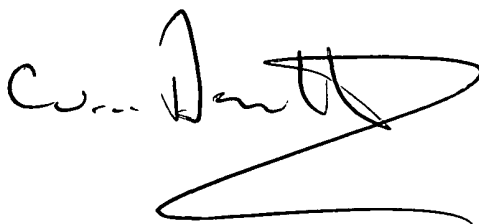
There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 June 2017 and signed on its behalf.

C W L Barratt
Director





Independent Auditor's Report to the Member of Barratt & Cooke Limited

We have audited the financial statements of Barratt & Cooke Limited for the year ended 31 March 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's member 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 member 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 member 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 on page 5, 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 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/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 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.



Independent Auditor's Report to the Member of Barratt & Cooke Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 those financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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 and the Directors' Report.

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
Chartered Accountants
Senior Statutory Auditor
Cambridge

Date: 19 June 2017

Statement of Comprehensive Income

For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover	4	8,196,482	7,983,016
Gross profit		8,196,482	7,983,016
Administrative expenses		(6,221,788)	(6,190,220)
Other operating income	5	60,000	45,811
Operating profit	6	2,034,694	1,838,607
Amounts written off investments	16	-	(1,305)
Income from fixed assets investments	10	114,888	135,111
Interest receivable and similar income	11	134,380	180,981
Interest payable and similar charges	12	(8,875)	(5,334)
Profit/(loss) on revaluation of investments	16	450,339	(9,120)
Profit before tax		2,725,426	2,138,940
Tax on profit	13	(486,910)	(402,874)
Profit for the financial year		2,238,516	1,736,066

There was no other comprehensive income for 2017 (2016: £NIL).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of quoted investments and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006.

The notes on pages 12 to 25 form part of these financial statements.

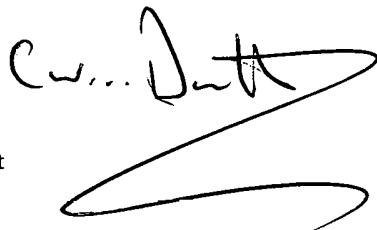
Balance Sheet

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	15	2,663,271	2,703,890
Investments	16	12,053,581	11,266,840
		<u>14,716,852</u>	<u>13,970,730</u>
Current assets			
Debtors: amounts falling due within one year	17	705,385	682,990
Cash at bank and in hand	18	5,466,618	4,208,514
		<u>6,172,003</u>	<u>4,891,504</u>
Creditors: amounts falling due within one year	19	(2,802,586)	(2,561,556)
Net current assets		<u>3,369,417</u>	<u>2,329,948</u>
Total assets less current liabilities		<u>18,086,269</u>	<u>16,300,678</u>
Provisions for liabilities			
Deferred tax	21	(5,175)	(5,028)
Other provisions	22	(32,411)	(24,905)
		<u>(37,586)</u>	<u>(29,933)</u>
Net assets		<u><u>18,048,683</u></u>	<u><u>16,270,745</u></u>
Capital and reserves			
Called up share capital	23	100,000	100,000
Revaluation reserve	24	381,251	150,349
Merger reserve	24	2,697,071	2,697,071
Profit and loss account	24	14,870,361	13,323,325
		<u><u>18,048,683</u></u>	<u><u>16,270,745</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 June 2017.

C W L Barratt
 Director



S C L Barratt
 Director



Statement of Changes in Equity

For the Year Ended 31 March 2017

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2016	100,000	150,349	2,697,071	13,323,325	16,270,745
Comprehensive income for the year					
Profit for the year	-	-	-	2,238,516	2,238,516
Total comprehensive income for the year	-	-	-	2,238,516	2,238,516
Dividends: Equity capital	-	-	-	(460,578)	(460,578)
Transfer of gains realised on disposal of quoted investments	-	(219,437)	-	219,437	-
Transfer of investment revaluation movements	-	450,339	-	(450,339)	-
At 31 March 2017	100,000	381,251	2,697,071	14,870,361	18,048,683

Statement of Changes in Equity

For the Year Ended 31 March 2016

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2015	100,000	159,469	2,697,071	11,894,512	14,851,052
Comprehensive income for the year					
Profit for the year	-	-	-	1,736,066	1,736,066
Total comprehensive income for the year	-	-	-	1,736,066	1,736,066
Dividends: Equity capital	-	-	-	(316,373)	(316,373)
Transfer of investment revaluation movements	-	(9,120)	-	9,120	-
At 31 March 2016	100,000	150,349	2,697,071	13,323,325	16,270,745

The notes on pages 12 to 25 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	2,238,516	1,736,066
Adjustments for:		
Depreciation of tangible assets	72,235	80,835
Impairment of investments	-	1,305
Interest payable and similar charges	8,875	5,334
Interest receivable and income from fixed asset investments	(249,268)	(316,092)
Taxation charge	486,910	402,874
(Increase)/decrease in debtors	(26,977)	155,803
(Decrease)/increase in creditors	(14,653)	225,158
Increase in provisions	7,506	2,869
Fair value (gains)/losses on fixed asset investments	(450,339)	9,120
Corporation tax paid	(405,439)	(417,491)
Net cash generated from operating activities	1,667,366	1,885,781
Cash flows from investing activities		
Purchase of tangible fixed assets	(31,616)	(5,871)
Purchase of listed investments	(9,605,815)	(1,419,795)
Sale of listed investments	9,269,413	-
Interest received	138,962	190,998
Income from investments	114,888	135,111
Net cash from investing activities	(114,168)	(1,099,557)
Cash flows from financing activities		
Dividends paid	(286,219)	(166,373)
Interest paid	(8,875)	(5,334)
Net cash used in financing activities	(295,094)	(171,707)
Net increase in cash and cash equivalents	1,258,104	614,517
Cash and cash equivalents at beginning of year	4,208,514	3,593,997
Cash and cash equivalents at the end of year	5,466,618	4,208,514
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,466,618	4,208,514

The notes on pages 12 to 25 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. General information

Barratt & Cooke Limited is a private limited liability company incorporated in England and Wales. The Registered Office is Grant Thornton House, 22 Melton Street, London, NW1 2EP.

The principal activity of the Company during the year was that of an independently owned firm of stockbrokers. A review of the business can be found in the Chairman's statement.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Barratt & Cooke Holdings Limited as at 31 March 2017 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

2.3 Going concern

The Company has generated sufficient financial resources from its activities to allow the directors to believe that the Company is well placed to manage its business risks successfully in the current economic climate.

Accordingly, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future; thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Credit is taken for brokerage, commissions and settlement fees on the basis of completed deals and of bought and sold contract notes issued up to the last business day prior to the year end.

ISA management fee income is invoiced based on portfolio valuations at two specified dates during the year. Nominee fees are based on a charge per investment held in a nominee name on a specified date. Income from management fees and nominee fees is taken to profit and loss to reflect the amount due in relation to the financial year.

2.5 Rental income

Rental income is charged to the Statement of Comprehensive Income in the year in which the income relates.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold Buildings	- 2% straight line
Furniture and Equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Freehold land is not depreciated.

2.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unquoted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in quoted company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit and loss for the period.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 Financial instruments

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.12 Creditors

Short term creditors are measured at the transaction price.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.14 Client monies

The Company is authorised by the Financial Conduct Authority to hold client monies which are segregated from monies belonging to the firm. Accordingly the financial statements have been prepared on the basis that all client money balances are excluded from the financial statements.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet.

2.17 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Holiday pay provision

The holiday pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements

For the Year Ended 31 March 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions. 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. Revision to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimate included in the financial statements is the accrued revenue in relation to ISA management fees and Nominee fees. The estimation of these balances requires the combination of several assumptions - (i) revenue accrues evenly on a daily basis, (ii) a proportion of fees are subsequently cancelled prior to being charged.

4. Turnover

The whole of the turnover is attributable to the principal business activities of the Company, being fees earned for investment management and stockbroking services.

All turnover arose within the United Kingdom.

5. Other operating income

	2017	2016
	£	£
Rental income	60,000	45,811

6. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	72,235	80,835
Operating lease rental payable	20,400	20,400

Notes to the Financial Statements

For the Year Ended 31 March 2017

7. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	19,000	20,200
Fees payable to the Company's auditor in respect of:		
CASS assurance services	38,000	12,600
Taxation services	4,700	4,700
Other assurance services	10,835	11,122
Company secretarial	2,500	2,500
	<u> </u>	<u> </u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	3,974,679	4,009,466
Social security costs	479,812	483,542
Cost of defined contribution scheme	258,383	259,273
	<u>4,712,874</u>	<u>4,752,281</u>

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

	2017 No.	2016 No.
Directors	5	6
Administration	48	45
	<u>53</u>	<u>51</u>

Staff costs and employee numbers exclude 2 non-executive directors (2016 - 1) who receive fees for their services.

Notes to the Financial Statements

For the Year Ended 31 March 2017

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	1,763,889	1,936,777
Company contributions to defined contribution pension schemes	40,000	45,000
	<u>1,803,889</u>	<u>1,981,777</u>

During the year retirement benefits were accruing to 4 directors (2016: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £413,464 (2016: £338,935).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2016: £NIL).

10. Income from fixed asset investments

	2017 £	2016 £
Dividend income from overseas investments	42,042	35,119
Interest receivable from UK investments	72,846	99,992
	<u>114,888</u>	<u>135,111</u>

11. Interest receivable and other income

	2017 £	2016 £
Interest receivable	119,319	169,503
Fees on currency conversion	15,061	11,478
	<u>134,380</u>	<u>180,981</u>

12. Interest payable and similar charges

	2017 £	2016 £
Interest payable on purchase of fixed asset investments	4,984	2,356
Bank interest payable and bank charges	3,872	2,861
Other interest payable	19	117
	<u>8,875</u>	<u>5,334</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

13. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	503,416	416,939
Adjustments in respect of previous periods	(16,653)	(7,316)
Total current tax	<u>486,763</u>	<u>409,623</u>
Deferred tax		
Origination and reversal of timing differences	147	(6,749)
Total deferred tax	<u>147</u>	<u>(6,749)</u>
Taxation on profit on ordinary activities	<u>486,910</u>	<u>402,874</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>2,725,426</u>	<u>2,138,940</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	545,085	427,788
Effects of:		
Expenses not deductible for tax purposes	642	4,133
Depreciation on assets not qualifying for capital allowances	7,482	7,409
Franked investment income	(8,408)	(7,024)
Treasury stock adjustments	(48,476)	(27,642)
Foreign tax credits	7,593	6,085
Adjustments to tax charge in respect of prior periods	(16,653)	(7,316)
Effect of change in tax rate	(355)	(559)
Total tax charge for the year	<u>486,910</u>	<u>402,874</u>

Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 20% to 17% by 1 April 2020 was included in the Finance Act 2016 and has since become substantially enacted. Deferred tax has been provided for at 17% in these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

14. Dividends

	2017 £	2016 £
Dividends on ordinary shares	<u>460,578</u>	<u>316,373</u>

During the year, the Company paid dividends of £136,219 relating to 31 March 2017 year end and £150,000 relating to 31 March 2016 year end.

15. Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2016	2,959,244	816,044	3,775,288
Additions	-	31,616	31,616
At 31 March 2017	<u>2,959,244</u>	<u>847,660</u>	<u>3,806,904</u>
Depreciation			
At 1 April 2016	316,523	754,875	1,071,398
Charge for the period on owned assets	37,423	34,812	72,235
At 31 March 2017	<u>353,946</u>	<u>789,687</u>	<u>1,143,633</u>
Net book value			
At 31 March 2017	<u>2,605,298</u>	<u>57,973</u>	<u>2,663,271</u>
At 31 March 2016	<u>2,642,721</u>	<u>61,169</u>	<u>2,703,890</u>

Freehold land and buildings include land at cost of £1,079,712 (2016 - £1,079,712) which is not depreciated.

Notes to the Financial Statements

For the Year Ended 31 March 2017

16. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Total £
Cost or valuation				
At 1 April 2016	300	11,194,012	74,431	11,268,743
Additions	-	9,605,815	-	9,605,815
Disposals	-	(9,271,316)	-	(9,271,316)
Revaluations	-	450,339	-	450,339
At 31 March 2017	300	11,978,850	74,431	12,053,581
Impairment				
At 1 April 2016	-	1,903	-	1,903
Impairment on disposals	-	(1,903)	-	(1,903)
As at 31 March 2017	-	-	-	-
Net book value				
At 31 March 2017	300	11,978,850	74,431	12,053,581
At 31 March 2016	300	11,192,109	74,431	11,266,840

Quoted investments

The market value of listed investments at 31 March 2017 was £11,978,850 (2016: £11,192,109).

The historic cost of listed investments is £11,597,599 (2016: £11,043,661).

Investments in subsidiary undertakings

The shares in subsidiary undertakings represent the entire issued share capital of three dormant companies, Barratt & Cooke Nominees Limited, Barratt & Cooke GSI Nominees Limited and Barratt & Cooke Trustees Limited, all of which are registered in England and Wales. All of the dormant companies have 100 issued ordinary shares of £1 each and net assets of £100. These companies exist solely to act as nominees in whose name investments are held by clients of Barratt & Cooke Limited. They do not trade in their own right.

Unquoted investments

The unquoted investments are stated at cost.

Notes to the Financial Statements

For the Year Ended 31 March 2017

17. Debtors

	2017 £	2016 £
Trade debtors	528,396	496,351
Other debtors	13,043	15,838
Prepayments and accrued income	163,946	170,801
	<u>705,385</u>	<u>682,990</u>

18. Cash and cash equivalents

	2017 £	2016 £
Firm money	4,465,717	4,208,514
Firm money held for liquidity	1,000,901	-
	<u>5,466,618</u>	<u>4,208,514</u>

19. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	324,657	150,299
Corporation tax	248,264	166,939
Other taxation and social security	391,103	357,854
Accruals and deferred income	1,838,562	1,886,464
	<u>2,802,586</u>	<u>2,561,556</u>

20. Capital management

Barratt & Cooke Limited is regulated by The Financial Conduct Authority.

The Company has identified the principal operational and financial risks as identified in the Strategic Report. The Company holds capital in excess of the Internal Capital Adequacy Assessment Process (ICAAP) which is assessed on an annual basis.

The total capital resources amount to £18,048,683 (2016: £16,270,745).

Notes to the Financial Statements

For the Year Ended 31 March 2017

21. Deferred taxation

	2017 £	2016 £
At beginning of year	5,028	11,777
Charged / (credited) to profit or loss	147	(6,749)
At end of year	5,175	5,028

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	5,175	5,028

22. Provisions

	Holiday pay provision £
At 1 April 2016	24,905
Charged to profit or loss	7,506
At 31 March 2017	32,411

23. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

Notes to the Financial Statements

For the Year Ended 31 March 2017

24. Reserves

Revaluation reserve

This reserve records the surplus created when assets are revalued.

Merger Reserve

The balance on the merger reserve represents the fair value of the consideration given in excess of the nominal value of the ordinary shares issued in an acquisition made by the issue of shares.

Profit and loss account

This reserve records all current and prior period retained profits and losses.

25. Pension commitments

Employer's pension contributions to the employees' personal pension schemes during the year were £258,383 (2016: £259,273). At 31 March 2017, there were £Nil (2016: £Nil) outstanding pension contributions included in accruals.

26. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	8,500	20,400
Later than 1 year and not later than 5 years	-	8,500
	<u>8,500</u>	<u>28,900</u>

27. Controlling party

The Company is a wholly owned subsidiary of Barratt & Cooke Holdings Limited, a company registered in the United Kingdom. Barratt & Cooke Limited is included in the consolidated accounts of Barratt & Cooke Holdings Limited which can be found at Companies House.

Throughout the year, the controlling party remained C W L Barratt by virtue of his majority interest in the share capital of Barratt & Cooke Holdings Limited.