

Registered number: 05378036

BARRATT & COOKE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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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
Registered office	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
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

BARRATT & COOKE LIMITED

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BARRATT & COOKE LIMITED

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

The chairman presents his statement for the period.

The 2017/18 financial year has been dominated by the introduction of MiFID II followed by the preparation for GDPR (General Data Protection Regulation) both exercises have been extremely time consuming and, of course, non-profit making. Sam Barratt, Miles Piercy and their teams managed to introduce the changes required for compliance with MiFID II by 3rd January 2018. This was not without a huge strain on all the staff (both in the advisory and administration teams), but in particular the compliance and IT departments. I am extremely grateful to everyone (including our clients) for their patience during these changes. The additional costs associated with the implementation of MiFID II and the preparatory work on GDPR has had an effect on trading profitability and though profits are down, they are very satisfactory under the circumstances.

In view of the extra regulatory commitments, William Barratt and William Mellor, who lead the Discretionary and Advisory teams, have had to increase the limits for taking on new clients, although it should be noted that the barriers remain much lower than most of our peers. Furthermore, existing portfolios have, in certain circumstances, had to be reorganised into collective investments to diversify sufficiently, but without fees (commission) increasing.

We are pleased to report that our Funds under Management have remained in line with last year despite a fall in the FTSE 100, whilst we have also increased funds in our premium service, Discretionary Management, which now stand at 56% of the total F.U.M. increasing the quality and efficiency of the business.

Whilst the FTSE 100 fell marginally (3.6%) from 7323 (1st April 2017) to 7057 (29th March 2018 due to Easter), there was significant volatility over the course of the year, with swings of over 10% during the early months of 2018. These movements were fuelled by the first interest rate rise in 10 years, considerable fluctuations in Sterling and, of course, the uncertainty over BREXIT. That said, client portfolio performance has been reasonably robust given the volatility, being supported by increasing exposure to overseas markets or foreign earnings from FTSE 100 companies, whilst taking into consideration each individual's suitability requirements, risk profile and objective.

We continue to invest in excellent staff for the future and, now that MiFID II has been implemented, we look forward to 2018/19 with optimism. We have always used the expression "Comply or Die" – but now we say "Comply and Fly".

Once again, I would like to thank every single member of staff and congratulate them on their Herculean efforts during a year where client administration and reporting has been at its most onerous. Despite this, our client service has remained at the absolute core of everything we do.

Thank you.

Name C W L Barratt
Chairman

Date 22 June 2018



BARRATT & COOKE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

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:

	2018	2017
Turnover (£)	7,929,524	8,196,482
Operating profit (£)	1,877,473	2,034,694
Fixed asset investments (£)	13,174,496	12,053,581
Firm's cash (£)	5,216,702	5,466,618
Equity shareholders' funds (£)	19,176,115	18,048,683
Average number of employees	53	53

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 gilts, 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 management, there are set limits for customers which are reviewed on a regular basis. Debts are regularly chased.

BARRATT & COOKE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

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 activities and the strong net asset position, the directors have not identified any issues with liquidity or cashflow during the year. The directors have maintained the cash weighting of the investments at £1million, which is on instant access as these funds may be required to meet the 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 22 June 2018 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 stylized flourish at the end.

BARRATT & COOKE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Results and dividends

The profit for the year, after taxation, amounted to £1,586,683 (2017 - £2,238,516).

A dividend of £459,251 (2017 - £460,578) was declared to the parent company Barratt & Cooke Holdings Limited in the year.

Donations

The Company donated £14,478 (2017 - £26,836) to local charities during the year and intends to make further donations in 2018/2019.

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 2018 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)

N R Savory was appointed as a Non-executive director on 1 April 2018.

BARRATT & COOKE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 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.

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

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.

Post balance sheet events

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

Disclosure of information to auditor

The directors confirm that:

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

BARRATT & COOKE LIMITED

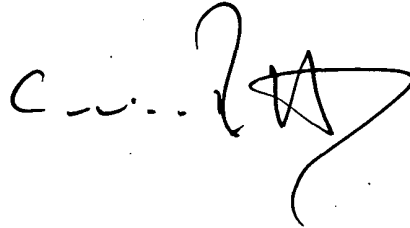
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

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 22 June 2018 and signed on its behalf.

C W L Barratt
Director

A handwritten signature in black ink, appearing to be 'C W L Barratt', with a stylized flourish at the end.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BARRATT & COOKE LIMITED

Opinion

We have audited the financial statements of Barratt & Cooke Limited for the year ended 31 March 2018, 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, including a summary of 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 31 March 2018 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 United Kingdom, including the Financial Reporting Council'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.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BARRATT & COOKE LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by 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 or the Directors' Report.

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BARRATT & COOKE LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

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, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Grant Thornton UK LLP

Alison Seekings MA FCA CTA (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Cambridge

22 June 2018

BARRATT & COOKE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	4	7,929,524	8,196,482
Gross profit		7,929,524	8,196,482
Administrative expenses		(6,100,051)	(6,221,788)
Other operating income	5	48,000	60,000
Operating profit	6	1,877,473	2,034,694
Income from fixed assets investments	10	60,041	114,888
Interest receivable and similar income	11	87,227	134,380
Interest payable and similar charges	12	(3,575)	(8,875)
(Loss)/gain on revaluation of investments		(147,891)	450,339
Profit before tax		1,873,275	2,725,426
Tax on profit	13	(286,592)	(486,910)
Profit for the financial year		1,586,683	2,238,516

There was no other comprehensive income for 2018 (2017 - £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 14 to 29 form part of these financial statements.

BARRATT & COOKE LIMITED
REGISTERED NUMBER:05378036

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	15	2,627,726	2,663,271
Investments	16	13,174,496	12,053,581
		<u>15,802,222</u>	<u>14,716,852</u>
Current assets			
Debtors: amounts falling due within one year	17	764,556	705,385
Cash at bank and in hand	18	5,216,702	5,466,618
		<u>5,981,258</u>	<u>6,172,003</u>
Creditors: amounts falling due within one year	19	(2,563,710)	(2,802,586)
Net current assets		<u>3,417,548</u>	<u>3,369,417</u>
Total assets less current liabilities		<u>19,219,770</u>	<u>18,086,269</u>
Provisions for liabilities			
Deferred tax	22	(6,320)	(5,175)
Other provisions	23	(37,335)	(32,411)
		<u>(43,655)</u>	<u>(37,586)</u>
Net assets		<u><u>19,176,115</u></u>	<u><u>18,048,683</u></u>
Capital and reserves			
Called up share capital	24	100,000	100,000
Revaluation reserve	25	233,360	381,251
Merger reserve	25	2,697,071	2,697,071
Profit and loss account	25	16,145,684	14,870,361
		<u>19,176,115</u>	<u>18,048,683</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 June 2018.

C W L Barratt
Director

S C L Barratt
Director

The notes on pages 14 to 29 form part of these financial statements.

BARRATT & COOKE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2017	100,000	381,251	2,697,071	14,870,361	18,048,683
Comprehensive income for the year					
Profit for the year	-	-	-	1,586,683	1,586,683
Total comprehensive income for the year	-	-	-	1,586,683	1,586,683
Dividends: Equity capital	-	-	-	(459,251)	(459,251)
Transfer of investment revaluation movements	-	(147,891)	-	147,891	-
At 31 March 2018	100,000	233,360	2,697,071	16,145,684	19,176,115

**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

The notes on pages 14 to 29 form part of these financial statements.

BARRATT & COOKE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	1,586,683	2,238,516
Adjustments for:		
Depreciation of tangible assets	71,513	72,235
Interest payable and similar charges	3,575	8,875
Interest received and income from fixed asset investments	(147,268)	(249,268)
Taxation charge	286,592	486,910
(Increase) in debtors	(53,942)	(26,977)
(Decrease) in creditors	(56,386)	(14,653)
Increase in provisions	4,924	7,506
Fair value losses/(gains) on fixed asset investments	147,891	(450,339)
Corporation tax paid	(495,188)	(405,439)
Net cash generated from operating activities	1,348,394	1,667,366
Cash flows from investing activities		
Purchase of tangible fixed assets	(35,968)	(31,616)
Purchase of listed investments	(1,268,806)	(9,605,815)
Sale of listed investments	-	9,269,413
Interest received	81,998	138,962
Income from investments	60,041	114,888
Net cash used in investing activities	(1,162,735)	(114,168)
Cash flows from financing activities		
Dividends paid	(432,000)	(286,219)
Interest paid	(3,575)	(8,875)
Net cash used in financing activities	(435,575)	(295,094)
Net (decrease)/increase in cash and cash equivalents	(249,916)	1,258,104
Cash and cash equivalents at beginning of year	5,466,618	4,208,514
Cash and cash equivalents at the end of year	5,216,702	5,466,618
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,216,702	5,466,618

The notes on pages 14 to 29 form part of these financial statements.

BARRATT & COOKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Barratt & Cooke Limited is a limited liability company incorporated in England and Wales. The Registered Office is Grant Thornton UK LLP, 30 Finsbury Square, London, EC2A 1AG.

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 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 2018 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.

BARRATT & COOKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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. The following criteria must also be met before revenue is recognised:

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.

BARRATT & COOKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 or loss for the period.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, 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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

BARRATT & COOKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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 under 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 declared as payable. 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 the personal pension schemes for employees. 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.

BARRATT & COOKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 accrual

The leave 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.

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 fees due but not invoiced. 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

	2018	2017
	£	£
Rental income	48,000	60,000

6. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	71,513	72,235
Rent - operating leases	21,246	20,400

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	19,600	19,000
Fees payable to the Company's auditor and its associates in respect of:		
CASS assurance services	37,500	38,000
Taxation services	4,700	4,700
Other assurance services	11,123	10,835
Company secretarial	2,500	2,500
	<u> </u>	<u> </u>

8. Employees

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

	2018 £	2017 £
Wages and salaries	3,942,500	3,974,679
Social security costs	475,349	479,812
Cost of defined contribution scheme	279,353	258,383
	<u> </u>	<u> </u>
	4,697,202	4,712,874
	<u> </u>	<u> </u>

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

	2018 No.	2017 No.
Directors	5	5
Administration	48	48
	<u> </u>	<u> </u>
	53	53
	<u> </u>	<u> </u>

Employees numbers exclude 2 non-executive directors (2017: 2) who receive fees for their services, which are included within the wages and salaries analysis above.

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	1,677,336	1,763,889
Company contributions to defined contribution pension schemes	40,000	40,000
	<u>1,717,336</u>	<u>1,803,889</u>

During the year retirement benefits were accruing to 4 directors (2017 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £390,919 (2017 - £413,464).

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 (2017 - £10,000).

10. Income from fixed asset investments

	2018 £	2017 £
Dividend income from overseas investments	37,851	42,042
Interest receivable from UK investments	22,190	72,846
	<u>60,041</u>	<u>114,888</u>

11. Interest receivable and other income

	2018 £	2017 £
Interest receivable	87,227	119,319
Fees on currency conversion	-	15,061
	<u>87,227</u>	<u>134,380</u>

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Interest payable and similar charges

	2018 £	2017 £
Gilt interest payable	336	4,984
Bank charges	3,213	3,872
Bank interest payable	26	19
	<u>3,575</u>	<u>8,875</u>

13. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	288,523	503,416
Adjustments in respect of previous periods	(3,076)	(16,653)
Total current tax	<u>285,447</u>	<u>486,763</u>
Deferred tax		
Origination and reversal of timing differences	1,145	147
Total deferred tax	<u>1,145</u>	<u>147</u>
Taxation on profit on ordinary activities	<u>286,592</u>	<u>486,910</u>

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,873,275</u>	<u>2,725,426</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	355,922	545,085
Effects of:		
Expenses not deductible for tax purposes	551	642
Capital allowances for year in excess of depreciation	7,142	7,482
Franked investment income	(10,511)	(8,408)
Treasury stock adjustments for indexation	(66,622)	(48,476)
Foreign tax credits	3,320	7,593
Adjustments to tax charge in respect of prior periods	(3,076)	(16,653)
Effect of change in tax rate	(134)	(355)
Total tax charge for the year	<u>286,592</u>	<u>486,910</u>

Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax from 19% 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.

14. Dividends

	2018 £	2017 £
Dividends	<u>459,251</u>	<u>460,578</u>

Interim dividends declared and payable to Barratt & Cooke Holdings Limited amounted to £459,251 (2017: £460,578) during the year.

Cash payments from the Company during the year amounted to £432,000 being £107,641 relating to 31 March 2018 year end and £324,359 relating to 31 March 2017 year end.

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 April 2017	2,959,244	847,660	3,806,904
Additions	-	35,968	35,968
At 31 March 2018	<u>2,959,244</u>	<u>883,628</u>	<u>3,842,872</u>
Depreciation			
At 1 April 2017	353,946	789,687	1,143,633
Charge for the year on owned assets	37,591	33,922	71,513
At 31 March 2018	<u>391,537</u>	<u>823,609</u>	<u>1,215,146</u>
Net book value			
At 31 March 2018	<u>2,567,707</u>	<u>60,019</u>	<u>2,627,726</u>
At 31 March 2017	<u>2,605,298</u>	<u>57,973</u>	<u>2,663,271</u>

Freehold land and buildings include land at cost of £1,079,712 (2017: £1,079,712) which is not depreciated.

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Total £
Cost or valuation				
At 1 April 2017	300	11,978,850	74,431	12,053,581
Additions	-	1,268,806	-	1,268,806
Revaluations	-	(147,891)	-	(147,891)
At 31 March 2018	300	13,099,765	74,431	13,174,496
Net book value				
At 31 March 2018	300	13,099,765	74,431	13,174,496
At 31 March 2017	300	11,978,850	74,431	12,053,581

Listed investments

The market value of listed investments at 31 March 2018 was £13,099,765 (2017 - £11,978,850).

The historic cost of listed investments is £12,866,405 (2017 - £11,597,599).

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.

Unlisted investments

The unquoted investments are stated at cost.

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Debtors

	2018 £	2017 £
Trade debtors	557,811	528,396
Other debtors	30,051	13,043
Prepayments and accrued income	176,694	163,946
	<u>764,556</u>	<u>705,385</u>

18. Cash and cash equivalents

	2018 £	2017 £
Firm money	4,215,801	4,465,717
Firm money held for liquidity	1,000,901	1,000,901
	<u>5,216,702</u>	<u>5,466,618</u>

19. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	351,908	324,657
Corporation tax	38,523	248,264
Other taxation and social security	417,368	391,103
Accruals	1,755,911	1,838,562
	<u>2,563,710</u>	<u>2,802,586</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 £19,176,115 (2017 - £18,048,683).

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

21. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	13,099,765	11,978,850
Financial assets that are debt instruments measured at amortised cost	5,885,521	6,091,614
	<u>18,985,286</u>	<u>18,070,464</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,107,819)	(2,163,219)
	<u>(2,107,819)</u>	<u>(2,163,219)</u>

Financial assets measured at fair value through profit or loss comprise quoted investments.

Financial assets measured at amortised cost comprise cash, trade debtors, amounts owed by group undertakings, other debtors and unquoted shares.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings and accruals.

BARRATT & COOKE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

22. Deferred taxation

	2018 £	2017 £
At beginning of year	5,175	5,028
Charged to profit or loss	1,145	147
At end of year	6,320	5,175

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	6,320	5,175

23. Provisions

	Holiday pay provision £
At 1 April 2017	32,411
Charged to profit or loss	4,924
At 31 March 2018	37,335

24. Share capital

	2018 £	2017 £
Allotted, called up and fully paid 100,000 Ordinary shares of £1 each	100,000	100,000

BARRATT & COOKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

25. Reserves

Revaluation reserve

This reserve records the unrealised surplus or deficit 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, on acquisition of Barratt & Cooke Partnership in 2005.

Profit and loss account

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

26. Pension commitments

Employer's pension contributions to the employees' personal pension schemes during the year were £279,353 (2017 - £258,383). At 31 March 2018, there were £Nil (2017 - £Nil) outstanding pension contributions included in accruals.

27. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	17,500	8,500
Later than 1 year and not later than 5 years	55,425	-
	<u>72,925</u>	<u>8,500</u>

28. 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.