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**BARRATT & COOKE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**



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**BARRATT & COOKE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	C W L Barratt (Non-executive) 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 (Non-executive)
<b>Company secretary</b>	S C L Barratt
<b>Registered number</b>	05378036
<b>Registered office</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
<b>Trading Address</b>	5 Opie Street Norwich NR1 3DW
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 101 Cambridge Science Park Milton Road Cambridge Cambridgeshire CB4 0FY
<b>Solicitors</b>	Mills & Reeve LLP 1 St James Court Whitefriars Norwich NR3 1RU

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**BARRATT & COOKE LIMITED**

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## BARRATT & COOKE LIMITED

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### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

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The chairman presents his statement for the period.

The year ending 31st March 2019 was dominated by the domestic political scene. The early months saw us sailing into a historic annum where Great Britain and Northern Ireland were set to leave the European Union. Yet, our politicians, with all their posturing, could not agree a satisfactory solution to satisfy the result of the Referendum (which had taken place years earlier on 23rd June 2016). With the 'Brexit date' now having passed (March 29th) and Britain still in the EU, the political outlook remains opaque at best.

That said, during the year the FTSE 100 actually rose from 7057 to 7279 and I am delighted to report that, despite calls from some of our clients to raise cash, (as they felt we were approaching another period of financial armagedon), we remained almost 100% invested with a strong bias to equity markets both in the UK and abroad. Consequently, portfolio performance has been strong over each of the 6 month reporting periods where, in general, portfolios have seen positive real returns well in excess of their appropriate benchmarks. At this point I would like to thank the advisory team who have done an exceptional job of 'holding their nerve' during the year when it would have been only too easy to build up liquidity.

This strong performance helped underpin an increase in funds under management by 6.0% in addition profits rose during the year despite expenditure on infrastructure (the offices), IT systems and the investment in staff and their ongoing training. I am also pleased to report that we have now reached our target of holding 60% of our FUM in the discretionary service. We will continue to increase this weighting as we believe it is in client interests to invest within discretion. There is an exceptional item in the accounts arising from the sale of the Euroclear shares to Ollands Investments which is a company controlled by the Barratt family.

We approach the 2019-20 financial year with great optimism where the experienced team is joined by some younger individuals who are ambitious, hungry and keen to learn. In addition the Autumn of 2019 will see us launch the 'Barratt and Cooke Fund Portfolio Service' which is to be run by Sam Matthews and Edward Sidgwick. This will take the form of an OEIC and will help us serve clients with portfolios under £200,000 and where appropriate larger accounts. We have been uncomfortable saying "no" to new business for smaller clients in recent years as we have always had an ethos of 'helping' investors. However, despite relatively low minimum thresholds versus the industry, we have had to turn some potential clients away due to an inability to sufficiently diversify. Therefore the OEIC presents a really exciting opportunity for Barratt and Cooke and our clients.

The significant costs (as mentioned above) absorbed within this financial year, coupled with the launch of the OEIC demonstrate the fact that the Directors have an ultra long term outlook for the business and specifically its independence. We feel that this is in the interest of both clients and staff. I would indeed like to thank all our employees who, once again had a busy year, they have continued to embrace the implementation of MiFID II, helped with the enhancement of systems and adapted to the regulatory changes to ensure that there is no compromise on compliance.

The financial year 2018-19 has been one of change, I am delighted to report that Nigel Savory has joined the Board as a non-executive Director, as someone who understands our business he is a valuable confidant. Clearly, I am now tasked with penning these statements, indeed, it was my great privilege to take over as Chairman from Charles Barratt at the year end. Both my brother, Sam, and I would like to extend an enormous 'thank you' to him, not only from us personally but on behalf of our clients and our staff. Barratt and Cooke is a remarkable business which has always put the client at the very core of every decision and this is testament to his leadership. Sam, I and our fellow Directors have every intention of retaining, and growing, this ethos, whilst also continuing to embrace change, technology and compliance in addition to, hopefully, continuing to generate strong returns for clients. It's been a good 2018-19 and we look forward to next year with great energy and huge optimism.

Name   
Chairman

Date 21 June 2019

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## BARRATT & COOKE LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

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#### 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:

	2019	2018
Turnover (£)	8,282,373	7,929,524
Operating profit (£)	2,006,236	1,877,473
Fixed asset investments (£)	14,169,128	13,174,496
Firm's cash (£)	6,400,946	5,216,702
Equity shareholders' funds (£)	20,947,248	19,176,115
Average number of employees	53	55

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

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**BARRATT & COOKE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019**

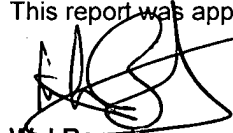
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**Liquidity risk**

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. In addition a further £636,538 of cash is ring fenced for future investment. 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 21 June 2019 and signed on its behalf.



**W J Barratt**  
Chairman

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## BARRATT & COOKE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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The directors present their report and the financial statements for the year ended 31 March 2019.

#### 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 and 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £3,396,535 (2018 - £1,586,683).

A dividend of £1,625,402 (2018: £459,251) was declared to the parent company Barratt & Cooke Holdings Limited in the year. The dividend included an exceptional interim dividend further to the realised gain on disposal of the Company's investment in Euroclear.

#### Directors

The directors who served during the year were:

C W L Barratt (Non-executive)  
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 (Non-executive)

C W L Barratt retired as an executive director on 2 April 2018 but continues as a non-executive director from 3 April 2018.

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**BARRATT & COOKE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019**

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**Donations**

The Company donated £13,953 (2018: £14,478) to local charities during the year and intends to make further donations in 2019/2020.

**Fixed Assets**

The directors are unable to quantify the market value of the freehold land and buildings at 31 March 2019 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 for use in its existing business for the foreseeable future.

**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.

**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.

**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 21 June 2019 and signed on its behalf.



**W J Barratt**  
Director





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

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### Opinion

We have audited the financial statements of Barratt & Cooke Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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 MEMBERS OF BARRATT & COOKE LIMITED  
(CONTINUED)**

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**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 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 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 MEMBERS OF BARRATT & COOKE LIMITED (CONTINUED)

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### Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 4, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

### Use of our report

This report is made solely to the Company's 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.

*Grant Thornton UK LLP*

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

21 June 2019

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**BARRATT & COOKE LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

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	Note	2019 £	2018 £
Turnover	4	8,282,373	7,929,524
<b>Gross profit</b>		<b>8,282,373</b>	<b>7,929,524</b>
Administrative expenses		(6,329,461)	(6,100,051)
Other operating income	5	53,324	48,000
<b>Operating profit</b>	6	<b>2,006,236</b>	<b>1,877,473</b>
Income from fixed assets investments		62,988	60,041
Gain on disposal of investments		1,042,334	-
Interest receivable and similar income	11	176,761	87,227
Interest payable and similar charges	12	(3,060)	(3,575)
Gain/(loss) on revaluation of investments		441,159	(147,891)
<b>Profit before tax</b>		<b>3,726,418</b>	<b>1,873,275</b>
Tax on profit	13	(329,883)	(286,592)
<b>Profit for the financial year</b>		<b>3,396,535</b>	<b>1,586,683</b>

There was no other comprehensive income for 2019 (2018: £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.

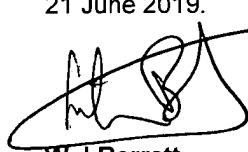
The notes on pages 13 to 28 form part of these financial statements.

**BARRATT & COOKE LIMITED**  
**REGISTERED NUMBER:05378036**

**BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	15	2,643,745	2,627,726
Investments	16	14,169,128	13,174,496
		<u>16,812,873</u>	<u>15,802,222</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	756,781	764,556
Cash at bank and in hand	18	6,400,946	5,216,702
		<u>7,157,727</u>	<u>5,981,258</u>
Creditors: amounts falling due within one year	19	(2,969,995)	(2,563,710)
<b>Net current assets</b>		<u>4,187,732</u>	<u>3,417,548</u>
<b>Total assets less current liabilities</b>		<u>21,000,605</u>	<u>19,219,770</u>
<b>Provisions for liabilities</b>			
Deferred tax	22	(16,085)	(6,320)
Other provisions	23	(37,272)	(37,335)
		<u>(53,357)</u>	<u>(43,655)</u>
<b>Net assets</b>		<u><u>20,947,248</u></u>	<u><u>19,176,115</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	100,000	100,000
Revaluation reserve	25	674,519	233,360
Merger reserve	25	2,697,071	2,697,071
Profit and loss account	25	17,475,658	16,145,684
		<u>20,947,248</u>	<u>19,176,115</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 June 2019.



**W J Barratt**  
Director



**S C L Barratt**  
Director

The notes on pages 13 to 28 form part of these financial statements.

**BARRATT & COOKE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	100,000	233,360	2,697,071	16,145,684	19,176,115
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	3,396,535	3,396,535
<b>Total comprehensive income for the year</b>	-	-	-	3,396,535	3,396,535
Dividends: Equity capital	-	-	-	(1,625,402)	(1,625,402)
Transfer of investment revaluation movements	-	441,159	-	(441,159)	-
<b>At 31 March 2019</b>	<b>100,000</b>	<b>674,519</b>	<b>2,697,071</b>	<b>17,475,658</b>	<b>20,947,248</b>

**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
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,586,683	1,586,683
<b>Total comprehensive income for the year</b>	-	-	-	1,586,683	1,586,683
Dividends: Equity capital	-	-	-	(459,251)	(459,251)
Transfer of investment revaluation movements	-	(147,891)	-	147,891	-
<b>At 31 March 2018</b>	<b>100,000</b>	<b>233,360</b>	<b>2,697,071</b>	<b>16,145,684</b>	<b>19,176,115</b>

The notes on pages 13 to 28 form part of these financial statements.

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**BARRATT & COOKE LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

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	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,396,535	1,586,683
<b>Adjustments for:</b>		
Depreciation of tangible assets	70,831	71,513
Interest payable and similar charges	3,060	3,575
Interest received and income from fixed asset investments	(239,749)	(147,268)
Taxation charge	329,883	286,592
Decrease/(increase) in debtors	7,775	(53,942)
Increase/(decrease) in creditors	335,199	(56,386)
(Decrease)/increase in provisions	(63)	4,924
Fair value (gains)/losses on fixed asset investments	(441,159)	147,891
Corporation tax (paid)	(287,659)	(495,188)
Gain on disposal of investments	(1,042,334)	-
<b>Net cash generated from operating activities</b>	<b>2,132,319</b>	<b>1,348,394</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(86,850)	(35,968)
Purchase of quoted investments	(627,904)	(1,268,806)
Sale of unquoted investments	1,116,765	-
Interest received	176,761	81,998
Income from investments	62,988	60,041
<b>Net cash from investing activities</b>	<b>641,760</b>	<b>(1,162,735)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,586,775)	(432,000)
Interest paid	(3,060)	(3,575)
<b>Net cash used in financing activities</b>	<b>(1,589,835)</b>	<b>(435,575)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,184,244</b>	<b>(249,916)</b>
Cash and cash equivalents at beginning of year	5,216,702	5,466,618
<b>Cash and cash equivalents at the end of year</b>	<b>6,400,946</b>	<b>5,216,702</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	6,400,946	5,216,702

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## BARRATT & COOKE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 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" (FRS 102), 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 judgement 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 FRS 102:

- 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 2019 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.



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## BARRATT & COOKE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 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 credited 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.

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## BARRATT & COOKE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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## 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.

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## **BARRATT & COOKE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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#### **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.

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**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.

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**3. Judgements 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 judgements, 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**

	2019 £	2018 £
Rental income	<u>53,324</u>	<u>48,000</u>

**6. Operating profit**

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	70,831	71,513
Rent- operating leases	<u>17,576</u>	<u>21,246</u>

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**7. Auditor's remuneration**

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	20,500	19,600
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
CASS assurance services	34,000	37,500
Taxation compliance services	4,700	4,700
Taxation advisory services	8,500	-
Other assurance services	10,000	11,123
Company secretarial	2,500	2,500
	<u>20,500</u>	<u>19,600</u>

Taxation advisory services relate to Research and Development claims including claims relating to the years ending 31 March 2017 and 31 March 2018.

**8. Employees**

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

	2019 £	2018 £
Wages and salaries	4,051,929	3,942,500
Social security costs	490,386	475,349
Cost of defined contribution scheme	274,108	279,353
	<u>4,816,423</u>	<u>4,697,202</u>

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

	2019 No.	2018 No.
Executive directors	4	5
Non-executive directors	4	2
Administration	45	48
	<u>53</u>	<u>55</u>

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**9. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	1,757,247	1,677,336
Company contributions to defined contribution pension schemes	40,000	40,000
	<u>1,797,247</u>	<u>1,717,336</u>

During the year retirement benefits were accruing to 4 directors (2018 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £409,219 (2018 - £390,919).

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 (2018 - £10,000).

**10. Income from fixed asset investments**

	2019 £	2018 £
Dividend income from overseas investments	39,370	37,851
Interest receivable from UK investments	23,618	22,190
	<u>62,988</u>	<u>60,041</u>

**11. Interest receivable and other income**

	2019 £	2018 £
Interest receivable	176,761	87,227
	<u>176,761</u>	<u>87,227</u>

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**12. Interest payable and similar expenses**

	2019 £	2018 £
Gilt interest payable	196	336
Bank charges	2,860	3,213
Bank interest payable	4	26
	<u>3,060</u>	<u>3,575</u>

**13. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	415,228	288,523
Adjustments in respect of previous periods	(95,110)	(3,076)
<b>Total current tax</b>	<u>320,118</u>	<u>285,447</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	9,765	1,145
<b>Total deferred tax</b>	<u>9,765</u>	<u>1,145</u>
<b>Taxation on profit on ordinary activities</b>	<u>329,883</u>	<u>286,592</u>



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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>3,726,418</u>	<u>1,873,275</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	708,019	355,922
Effects of:		
Expenses not deductible for tax purposes	71	551
Capital allowances for year in excess of depreciation	7,140	7,142
Franked investment income	(10,933)	(10,511)
Treasury stock adjustments for indexation	(52,984)	(66,622)
Foreign tax credits	3,452	3,320
Adjustments to tax charge in respect of prior periods	(104,195)	(3,076)
Effect of change in tax rate	7,937	(134)
R&D spend increased deduction	(49,400)	-
Capital gains not taxable	(179,224)	-
<b>Total tax charge for the year</b>	<u><u>329,883</u></u>	<u><u>286,592</u></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.

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**14. Dividends**

	2019 £	2018 £
Dividends	<u>1,625,402</u>	<u>459,251</u>

Interim dividends declared and payable to Barratt & Cooke Holdings Limited amounted to £1,625,402 (2018: £459,251) during the year. The first interim dividend (£1,116,765) was an exceptional dividend being a distribution arising from the realisation of the gain from the sale of the unquoted investment (note 16).

Cash payments from the Company during the year amounted to £1,586,775 being £1,235,165 relating to 31 March 2019 year end and £351,610 relating to 31 March 2018 year end.

**15. Tangible fixed assets**

	Freehold land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2018	2,959,244	883,628	3,842,872
Additions	-	86,850	86,850
At 31 March 2019	<u>2,959,244</u>	<u>970,478</u>	<u>3,929,722</u>
<b>Depreciation</b>			
At 1 April 2018	391,537	823,609	1,215,146
Charge for the year on owned assets	37,590	33,241	70,831
At 31 March 2019	<u>429,127</u>	<u>856,850</u>	<u>1,285,977</u>
<b>Net book value</b>			
At 31 March 2019	<u>2,530,117</u>	<u>113,628</u>	<u>2,643,745</u>
At 31 March 2018	<u>2,567,707</u>	<u>60,019</u>	<u>2,627,726</u>

Freehold land and buildings include land at cost of £1,079,712 (2018: £1,079,712) which is not depreciated.

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**16. Fixed asset investments**

	Investments in subsidiary companies £	Quoted investments £	Unquoted investments £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	300	13,099,765	74,431	13,174,496
Additions	-	627,904	-	627,904
Disposals	-	-	(74,431)	(74,431)
Revaluations	-	441,159	-	441,159
At 31 March 2019	<u>300</u>	<u>14,168,828</u>	<u>-</u>	<u>14,169,128</u>

**Quoted investments**

The market value of listed investments at 31 March 2019 was £14,168,828 (2018: £13,099,765).

The historic cost of listed investments is £13,494,309 (2018: £12,866,405).

**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 investment was sold during the year to Ollands Investments Limited, based on an agreed market value. The gain on disposal amounted to £1,042,334. Ollands Investments Limited is a Company controlled by C W L Barratt.

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**17. Debtors**

	2019 £	2018 £
Trade debtors	554,631	557,811
Other debtors	33,075	30,051
Prepayments and accrued income	169,075	176,694
	<u>756,781</u>	<u>764,556</u>

**18. Cash and cash equivalents**

	2019 £	2018 £
Firm money	4,763,507	4,215,801
Firm money held for liquidity	1,000,901	1,000,901
Firm money retained for future investment	636,538	-
	<u>6,400,946</u>	<u>5,216,702</u>

**19. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Amounts owed to group undertakings	390,535	351,908
Corporation tax	70,982	38,523
Other taxation and social security	463,590	417,368
Accruals and deferred income	2,044,888	1,755,911
	<u>2,969,995</u>	<u>2,563,710</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 £20,947,248 (2018: £19,176,115).

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**21. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	14,168,829	13,099,765
Financial assets that are debt instruments measured at amortised cost	6,995,769	5,885,521
	<u>21,164,598</u>	<u>18,985,286</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(2,435,423)</u>	<u>(2,107,819)</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.

**22. Deferred taxation**

	2019 £	2018 £
At beginning of year	6,320	5,175
Charged to profit or loss	9,765	1,145
<b>At end of year</b>	<u>16,085</u>	<u>6,320</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>16,085</u>	<u>6,320</u>

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**23. Provisions**

	Holiday pay provision £
At 1 April 2018	37,335
Charged to profit or loss	(63)
<b>At 31 March 2019</b>	<b>37,272</b>

**24. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
100,000 (2018 - 100,000) Ordinary shares of £1.00 each	100,000	100,000

**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 £274,108 (2018: £279,353). At 31 March 2019, there were £Nil (2018: £Nil) outstanding pension contributions included in accruals.

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**BARRATT & COOKE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**27. Commitments under operating leases**

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	17,500	17,500
Later than 1 year and not later than 5 years	37,925	55,425
	<u>55,425</u>	<u>72,925</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.