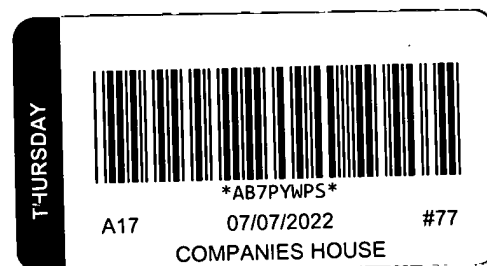


2.
COMPANY REGISTRATION NUMBER: 05378036

Barratt & Cooke Limited
Annual report and financial statements
Year ended 31 March 2022



Barratt & Cooke Limited

Annual report and financial statements

Year ended 31 March 2022

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Barratt & Cooke Limited

Officers and professional advisers

The board of directors	W J Barratt S C L Barratt W J Mellor M Piercy J M Hunter (Non-executive) N R Savory (Non-executive)
Company secretary	S C L Barratt
Registered office	First Floor 2 Hillside Business Park Bury St. Edmunds Suffolk IP32 7EA
Auditor	Lovewell Blake LLP Chartered accountants & statutory auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
Solicitors	Mills & Reeve LLP 1 St James Court Whitefriars Norwich NR3 1RU
Trading address	5 Opie Street Norwich NR1 3DW

Barratt & Cooke is the trading name for Barratt & Cooke Limited.

Barratt & Cooke Limited

Chairman's statement

Year ended 31 March 2022

The Chairman presents his statement for the year.

2021/2022 was the year that the UK, seemingly, broke free from COVID-19 restrictions, (though we remain mindful for the future as at the end of the year we witnessed China go into further lockdowns). Whilst the lifting of the rules should have provided a degree of respite for companies we witnessed other considerable headwinds, not least Russia's assault on Ukraine. In addition we have seen inflation rise significantly, specifically in energy bills, food prices and raw material costs. These forces have provided major challenges to both individuals and businesses. Once again the whole Barratt & Cooke team have confronted these trials head on, navigating investments through the volatility with great diligence and resilience.

Client portfolios actually had a positive year. This manifested itself in a stellar first nine months followed by a degree of tapering. Having hit close to all time highs on 1st January, three testing months followed, driven by a sell-off in the US where a re-rating in technology led the way; that said, this allocation does form a core weighting on a medium to long term basis and has rewarded investors handsomely in previous years. We also saw a rotation within the UK from 'quality' global brand companies into 'value' investments but we believe this will be a short term preference and as I look at portfolios at the year end, I am increasingly confident of their composition.

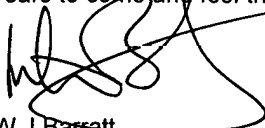
Operationally, the year was less challenging than the previous one as we were familiar with the lockdown process. The Directors discussed return to work protocols looking at employees personal situations on a case by case basis and concluded that the best scenario was a 100% return to the office full time. The return was phased in over 6 weeks; we remain slightly more 'spread out' physically but all staff were back in the office by 29 June 2021. The new building (purchased in lockdown) helped facilitate this return; it is fully functional and a tremendous asset which also allows for growth and expansion when required. The return to the office has been greeted very positively by staff all of whom appreciate that when working from home they were, to varying degrees, reliant on staff who remained in the office to complete their tasks. I would once again like to thank those who came into the office during the difficult period.

Mindful of inflation and the widely publicised cost of living all staff received an additional payment to help overcome the burden of household bills, this was in addition to a positive bonus structure. Furthermore we have plans for staff events in the forthcoming months to really ensure that the team ethic that we are so proud of remains fully intact and part of our culture. I firmly believe that this ethos not only helps us to serve clients to the very best of our ability but also make the office an enjoyable place to come and work.

In the Summer of 2021 we launched the TB Opie Street Income Fund, to sit alongside the Growth and Balanced funds. This has got off to a positive start and has provided an absolutely excellent solution for clients with funds under £500,000 who require cash flow.

The year has seen the addition of plenty of new members of staff across many teams including: Advisory, Dealing and Research, all of whom have fitted in immediately with fantastic energy and a willingness to 'put their hands up'. Similarly our longer serving staff have been incredibly positive and have embraced our mantra of not letting the lockdown periods define how we do business. Indeed, we have learnt from the pandemic and embraced positive changes such as the additional use of technologies but have reverted to a pre COVID-19 way of conducting ourselves (specifically with face-to-face meetings) where appropriate i.e. we have not morphed into a new way of doing things but re-set as appropriate.

Looking forward, whilst there are the aforementioned challenges on portfolio management, we remain cautiously optimistic. Markets often oversell and we are yet to see whether inflation is in fact entrenched. We believe equities can be utilised for growth, some much needed income and diversification for many years to come and feel that clients are well positioned to overcome shorter term challenges.



W J Barratt
Chairman

28 June 2022

Barratt & Cooke Limited

Strategic report

Year ended 31 March 2022

Principal activity

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:

	2022	2021
Turnover (£)	10,090,461	9,507,851
Operating profit (£)	2,725,067	2,380,204
Fixed asset investments (£)	19,669,136	17,183,212
Company's cash (£)	5,127,967	5,206,490
Equity shareholder's funds (£)	26,671,721	23,895,489
Average number of employees	52	54

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 clients' 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 clients and counterparties which are reviewed on a regular basis. Debts are regularly chased.

Barratt & Cooke Limited

Strategic report *(continued)*

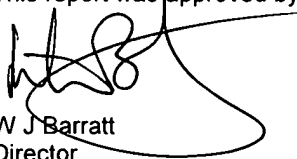
Year ended 31 March 2022

Liquidity risk

The directors consider that liquidity and cashflow are of high importance and therefore monitor these closely. As a result of positive cashflows from operating 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 (held within cash at note 17) 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 of directors on 28 June 2022 and signed on behalf of the board by:



W J Barratt
Director

Barratt & Cooke Limited

Directors' report

Year ended 31 March 2022

The directors present their Annual report and financial statements of the Company for the year ended 31 March 2022.

Directors

The directors who served the Company during the year were as follows:

W J Barratt
S C L Barratt
W J Mellor
M Piercy
J M Hunter (Non-executive)
N R Savory (Non-executive)

Results and dividends

The profit for the year, after taxation, amounted to £3,346,117 (2021: £2,203,054).

A dividend of £569,885 (2021: £750,000) was declared to the parent company, Barratt & Cooke Holdings Limited, in the year.

Events after the end of the reporting period

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

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.

Donations

The Company donated £9,600 (2021: £5,559) to local charities during the year and intends to make further donations in 2022/2023.

Fixed Assets

The directors are unable to quantify the market value of the freehold land and buildings at 31 March 2022 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.

Barratt & Cooke Limited

Directors' report *(continued)*

Year ended 31 March 2022

Directors' responsibilities statement

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

Company law requires the directors to prepare the Annual report and financial statements for each financial year. Under that law the directors have elected to prepare the Annual report and financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Annual report and financial statements; and
- prepare the Annual report and 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 the Annual report and financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 28 June 2022 and signed on behalf of the board by:



W J Barratt
Director

Barratt & Cooke Limited

Independent auditor's report to the member of Barratt & Cooke Limited

Year ended 31 March 2022

Opinion

We have audited the financial statements of Barratt & Cooke Limited ('the Company') for the year ended 31 March 2022 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity, 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 FRS 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Barratt & Cooke Limited

Independent auditor's report to the member of Barratt & Cooke Limited *(continued)*

Year ended 31 March 2022

Other information

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Barratt & Cooke Limited

Independent auditor's report to the member of Barratt & Cooke Limited *(continued)*

Year ended 31 March 2022

Auditor's responsibilities for the audit of the annual report and 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 the financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Company through discussions with directors and from our knowledge of the business;
- we assessed the extent of compliance with laws and regulations through making enquiries of management and the directors; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of directors as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the results of prior year financial statement audits and work undertaken by a third party in connection with CASS requirements prior to our financial statements audit.

To address the risk of fraud through management bias and override of controls we:

- performed analytical procedures to identify any unusual or unexpected relationships; and
- reviewed journal entries and critically challenged areas of key estimation or judgement (none noted).

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- sample based testing of revenue;
- considering the results of work undertaken by a third party in connection with CASS requirements during our fieldwork and up to the date of this report;
- agreeing material financial statement disclosures to supporting documentation; and
- obtaining representations from directors as to the absence of actual and potential litigation and claims.

Barratt & Cooke Limited

Independent auditor's report to the member of Barratt & Cooke Limited *(continued)*

Year ended 31 March 2022

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.



Tobias Wilson FCA BA (Hons) (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

28 June 2022

Barratt & Cooke Limited

Statement of comprehensive income

Year ended 31 March 2022

		2022 £	2021 £
Turnover	Note 3	10,090,461	9,507,851
Gross profit		10,090,461	9,507,851
Administrative expenses		(7,407,856)	(7,154,109)
Other operating income	4	42,462	26,462
Operating profit	5	2,725,067	2,380,204
Gain on disposal of investments		165,610	—
Gain on revaluation of investments	15	984,610	144,821
Income from fixed asset investments	9	25,040	27,048
Interest receivable and similar income	10	2,980	19,783
Interest payable and similar charges	11	(18,693)	(6,509)
Profit before taxation		3,884,614	2,565,347
Tax on profit	12	(538,497)	(362,293)
Profit for the financial year and total comprehensive income		3,346,117	2,203,054

All the activities of the Company are from continuing operations.

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 15 to 27 form part of the financial statements.

Barratt & Cooke Limited

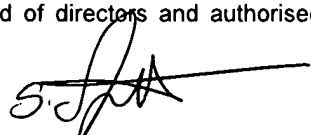
Statement of financial position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	3,545,276	3,606,166
Investments	15	19,669,136	17,183,212
		<u>23,214,412</u>	<u>20,789,378</u>
Current assets			
Debtors: Amounts falling due within one year	16	1,038,917	898,500
Cash at bank and in hand	17	5,127,967	5,206,490
		<u>6,166,884</u>	<u>6,104,990</u>
Creditors: Amounts falling due within one year	18	<u>(2,592,578)</u>	<u>(2,873,239)</u>
Net current assets		<u>3,574,306</u>	<u>3,231,751</u>
Total assets less current liabilities		<u>26,788,718</u>	<u>24,021,129</u>
Provisions			
Deferred tax	19	(38,337)	(27,555)
Other provisions	19	<u>(78,660)</u>	<u>(98,085)</u>
		<u>(116,997)</u>	<u>(125,640)</u>
Net assets		<u>26,671,721</u>	<u>23,895,489</u>
Capital and reserves			
Called up share capital	22	100,000	100,000
Revaluation reserve	23	1,443,276	702,581
Merger reserve	23	2,697,071	2,697,071
Profit and loss account	23	<u>22,431,374</u>	<u>20,395,837</u>
Shareholder's funds		<u>26,671,721</u>	<u>23,895,489</u>

The financial statements were approved by the board of directors and authorised for issue on 28 June 2022, and are signed on behalf of the board by:


W J Barratt
Director


S C L Barratt
Director

Company registration number: 05378036

The notes on pages 15 to 27 form part of the financial statements.

Barratt & Cooke Limited

Statement of changes in equity

Year ended 31 March 2022

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total £
	£	£	£	£	
At 1 April 2020	100,000	557,760	2,697,071	19,087,604	22,442,435
Profit for the year	–	–	–	2,203,054	2,203,054
Net transfer of realised and unrealised investment revaluation movements	–	144,821	–	(144,821)	–
Total comprehensive income for the year	–	144,821	–	2,058,233	2,203,054
Dividends: Equity capital 13	–	–	–	(750,000)	(750,000)
Total investments by and distributions to owner	–	–	–	(750,000)	(750,000)
At 31 March 2021	100,000	702,581	2,697,071	20,395,837	23,895,489
Profit for the year	–	–	–	3,346,117	3,346,117
Net transfer of realised and unrealised investment revaluation movements	–	740,695	–	(740,695)	–
Total comprehensive income for the year	–	740,695	–	2,605,422	3,346,117
Dividends: Equity capital 13	–	–	–	(569,885)	(569,885)
Total investments by and distributions to owner	–	–	–	(569,885)	(569,885)
At 31 March 2022	100,000	1,443,276	2,697,071	22,431,374	26,671,721

The notes on pages 15 to 27 form part of the financial statements.

Barratt & Cooke Limited

Statement of cash flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	3,346,117	2,203,054
<i>Adjustments for:</i>		
Depreciation of tangible assets	122,298	101,980
Gain on disposal of investments	(165,610)	–
Gain on revaluation of investments	(984,610)	(144,821)
Income from fixed asset investments	(25,040)	(27,048)
Interest receivable	(2,980)	(19,783)
Interest payable and similar charges	18,693	6,509
Taxation charge	538,497	362,293
<i>Changes in:</i>		
Increase in debtors	(140,417)	(126,983)
(Decrease)/increase in creditors	(308,694)	67,845
(Decrease)/increase in holiday pay accrual	(19,425)	53,173
Cash generated from operations	2,378,829	2,476,219
Tax paid	(499,682)	(441,534)
Net cash from operating activities	<u>1,879,147</u>	<u>2,034,685</u>
Cash flows from investing activities		
Purchase of tangible assets	(61,408)	(1,069,938)
Purchase of quoted investments	(7,088,795)	(717,769)
Sale of quoted investments	5,753,091	–
Income from investments	25,040	27,048
Interest received	2,980	19,783
Net cash used in investing activities	<u>(1,369,092)</u>	<u>(1,740,876)</u>
Cash flows from financing activities		
Interest paid	(18,693)	(6,509)
Dividends paid	(569,885)	(750,000)
Net cash used in financing activities	<u>(588,578)</u>	<u>(756,509)</u>
Net decrease in cash and cash equivalents	<u>(78,523)</u>	<u>(462,700)</u>
Cash and cash equivalents at beginning of year	<u>5,206,490</u>	<u>5,669,190</u>
Cash and cash equivalents at end of year	<u>5,127,967</u>	<u>5,206,490</u>

The notes on pages 15 to 27 form part of the financial statements.

Barratt & Cooke Limited

Notes to the annual report and financial statements

Year ended 31 March 2022

1. General information

Barratt & Cooke Limited is a limited liability company incorporated in England and Wales. The Registered Office is First Floor, 2 Hillside Business Park, Bury St. Edmunds, Suffolk, IP32 7EA.

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

Basis of preparation

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.

The analysis of debtors (note 16) has been amended from that presented in prior periods, to better reflect the underlying nature of the component elements. The comparative information has been restated on a consistent basis from that previously presented. There has been no change to the total comparative value of debtors.

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.

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 2022 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

2. Accounting policies *(continued)*

Judgments and key sources of estimation uncertainty

There are not considered to be any key sources of estimation uncertainty underpinning these financial statements. Nonetheless, 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 year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future periods.

Revenue recognition

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 in the financial period.
- ISA and other 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 is taken to the Statement of comprehensive income to reflect the amount due in relation to the financial year.
- Fund management fee income is received from the Opie Street Funds based on the valuation of the funds. It is recognised in the year to which it relates.

Rental income

Rental income is credited to the Statement of comprehensive income in the year in which the income relates.

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

2. Accounting policies *(continued)*

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 Statement of financial position 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 Statement of financial position 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 Statement of financial position date.

Operating leases

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

Tangible fixed assets

Tangible fixed assets 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 land	-	not depreciated
Freehold property	-	2% straight line
Furniture and IT equipment	-	25% straight line

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

2. Accounting policies *(continued)*

Tangible fixed assets *(continued)*

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.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Quoted investments are remeasured to fair value at each Statement of financial position date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the year.

Debtors

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

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.

Creditors

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

Client monies

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

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 member at an annual general meeting.

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

2. Accounting policies *(continued)*

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 Statement of financial position.

Interest income

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

Currency translation

The Company's functional and presentational currency is GBP.

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

At each year 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.

Provisions

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 Statement of financial position 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 Statement of financial position.

Holiday pay provision

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

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

2. Accounting policies *(continued)*

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 Statement of financial position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

3. Turnover

Turnover arises from:

	2022	2021
	£	£
Investment management and stockbroking services	<u>10,090,461</u>	<u>9,507,851</u>

The whole of the turnover is attributable to the principal activity of the Company wholly undertaken in the United Kingdom.

4. Other operating income

	2022	2021
	£	£
Rental income	<u>42,462</u>	<u>26,462</u>

5. Operating profit

Operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	122,298	101,980
Rent - operating leases	<u>21,885</u>	<u>20,671</u>

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

6. Auditor's remuneration

	2022 £	2021 £
Fees payable for the audit of the annual report and financial statements	<u>21,000</u>	<u>19,800</u>
Fees payable to the Company's auditor for other services:		
Taxation compliance services	5,500	5,200
Taxation advisory services	4,577	3,000
Company secretarial services	<u>1,100</u>	<u>1,000</u>
	<u>11,177</u>	<u>9,200</u>

7. Staff costs

The average number of persons employed by the Company during the year, including the directors, amounted to:

	2022 No.	2021 No.
Administrative staff	46	47
Executive directors	4	4
Non-executive directors	<u>2</u>	<u>3</u>
	<u>52</u>	<u>54</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022 £	2021 £
Wages and salaries	4,522,676	4,663,446
Social security costs	580,026	575,879
Other pension costs	<u>203,873</u>	<u>203,003</u>
	<u>5,306,575</u>	<u>5,442,328</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022 £	2021 £
Remuneration	1,835,339	2,047,354
Company contributions to defined contribution pension plans	<u>16,000</u>	<u>16,000</u>
	<u>1,851,339</u>	<u>2,063,354</u>

During the year payments (noted above) included £12,500 (2021: £12,500) which were made to third parties in respect of directors' services.

During the year retirement benefits were accruing to 4 directors (2021: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £476,816 (2021: £469,733).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (2021: £4,000).

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

9. Income from fixed asset investments

	2022	2021
	£	£
Interest receivable from UK investments	<u>25,040</u>	<u>27,048</u>

10. Interest receivable and similar income

	2022	2021
	£	£
Interest receivable	<u>2,980</u>	<u>19,783</u>

11. Interest payable and similar charges

	2022	2021
	£	£
Bank charges	16,854	6,284
Gilt interest payable	<u>1,839</u>	<u>225</u>
	<u>18,693</u>	<u>6,509</u>

12. Tax on profit

Major components of tax expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	452,616	418,766
Adjustments in respect of prior periods	<u>75,099</u>	<u>(62,565)</u>
Total current tax	<u>527,715</u>	<u>356,201</u>
Deferred tax:		
Origination and reversal of timing differences	2,038	5,571
Adjustment in respect of prior periods	<u>8,744</u>	<u>521</u>
Total deferred tax	<u>10,782</u>	<u>6,092</u>
Tax on profit	<u>538,497</u>	<u>362,293</u>

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

12. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are explained below:-

	2022 £	2021 £
Profit on ordinary activities before taxation	3,884,614	2,565,347
Profit on ordinary activities by rate of tax	738,077	487,416
Adjustment to tax charge in respect of prior periods	83,843	(62,044)
Effect of expenses not deductible for tax purposes	358	–
Effect of capital allowances and depreciation	9,212	1,239
Effect of revenue exempt from tax	(2,711)	–
Effect of different UK tax rates on some earnings	5,888	1,347
Treasury stock adjustments for indexation	(296,170)	(41,080)
Research & Development spend increased deduction	–	(24,585)
Tax on profit	538,497	362,293

Factors that may affect future tax expense

Legislation to increase the main rate of corporation tax from 19% to 25% by 1 April 2023 was included in the Finance Bill 2021 and has since become substantively enacted. Deferred tax has been provided for at 25% (2021: 19%) in these accounts.

13. Dividends

	2022 £	2021 £
Dividends declared during the year	569,885	750,000

Interim dividends declared and payable to Barratt & Cooke Holdings Limited amounted to £569,885 (2021: £750,000) during the year.

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

14. Tangible assets

	Freehold land and buildings £	Furniture and IT equipment £	Total £
Cost			
At 1 April 2021	3,937,073	1,139,974	5,077,047
Additions	13,839	47,569	61,408
At 31 March 2022	3,950,912	1,187,543	5,138,455
Depreciation			
At 1 April 2021	504,308	966,573	1,470,881
Charge for the year	48,988	73,310	122,298
At 31 March 2022	553,296	1,039,883	1,593,179
Carrying amount			
At 31 March 2022	3,397,616	147,660	3,545,276
At 31 March 2021	3,432,765	173,401	3,606,166

Freehold land and buildings include land at cost of £1,386,112 (2021: £1,386,112) which is not depreciated.

15. Investments

	Shares in group undertakings £	Quoted investments £	Total £
Cost or valuation			
At 1 April 2021	300	17,182,912	17,183,212
Additions	–	7,088,795	7,088,795
Disposals	–	(5,587,481)	(5,587,481)
Revaluations	–	984,610	984,610
At 31 March 2022	300	19,668,836	19,669,136
Impairment			
At 1 April 2021 and 31 March 2022	–	–	–
Carrying amount			
At 31 March 2022	300	19,668,836	19,669,136
At 31 March 2021	300	17,182,912	17,183,212

Quoted investments

The fair value of quoted investments at 31 March 2022 was £19,668,836 (2021: £17,182,912).

The historic cost of quoted investments is £18,225,560 (2021: £16,480,331).

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

15. Investments *(continued)*

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. Barratt & Cooke Nominees Limited and Barratt & Cooke Trustees Limited act solely as nominees in whose name investments are held by clients of Barratt & Cooke Limited, Barratt & Cooke GSI Nominees Limited holds investments for the Company. They do not trade in their own right.

16. Debtors: Amounts falling due within one year

	2022	2021
	£	restated £
Trade debtors	80,120	112,017
Prepayments and accrued income	947,239	781,543
Other debtors	11,558	4,940
	<u>1,038,917</u>	<u>898,500</u>

17. Cash at bank and in hand

	2022	2021
	£	£
Company money (designated for working capital)	4,127,066	4,205,589
Company money (designated for liquidity)	1,000,901	1,000,901
	<u>5,127,967</u>	<u>5,206,490</u>

18. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Amounts owed to group undertakings	299	299
Accruals and deferred income	1,900,865	2,284,058
Corporation tax	138,461	110,428
Social security and other taxes	552,953	478,454
	<u>2,592,578</u>	<u>2,873,239</u>

19. Provisions

	Deferred tax (note 20)	Holiday pay	Total
	£	£	£
At 1 April 2021	27,555	98,085	125,640
Charge to statement of comprehensive income	10,782	(19,425)	(8,643)
At 31 March 2022	<u>38,337</u>	<u>78,660</u>	<u>116,997</u>

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022 £	2021 £
Included in provisions (note 19)	<u>38,337</u>	<u>27,555</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022 £	2021 £
Accelerated capital allowances	<u>38,337</u>	<u>27,555</u>

21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets measured at fair value through statement of comprehensive income		
Financial assets measured at fair value through statement of comprehensive income	<u>19,668,836</u>	<u>17,182,912</u>

Financial assets measured at fair value through statement of comprehensive income comprise quoted investments.

22. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

23. 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 year retained profits and losses.

Barratt & Cooke Limited

Notes to the annual report and financial statements *(continued)*

Year ended 31 March 2022

24. 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 £26,671,721 (2021: £23,895,489).

25. Analysis of changes in net cash

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	5,206,490	(78,523)	5,127,967
Debt due within one year	(299)	—	(299)
	<u>5,206,191</u>	<u>(78,523)</u>	<u>5,127,668</u>

26. Pension commitments

Employer's pension contributions to the employees' personal pension schemes during the year were £203,873 (2021: £203,003). At 31 March 2022, there were £Nil (2021: £Nil) outstanding pension contributions included in accruals.

27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	2,925	17,500
Later than 1 year and not later than 5 years	—	2,925
	<u>2,925</u>	<u>20,425</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.

The controlling parties are C W L Barratt, W J Barratt and S C L Barratt in equal parts by virtue of their shareholdings in Barratt & Cooke Holdings Limited.