

BAKER'S STORES LIMITED

(REGISTERED IN ENGLAND NO. 00231844)

DIRECTOR'S REPORT AND ABRIDGED UNAUDITED FINANCIAL STATEMENTS

31 DECEMBER 2019



Edwards Trew & Co.,
Trading Name: Eric Nabarro & Company
Chartered Accountants
Hyde Park House
5 Manfred Road
Putney
London SW15 2RS

BAKER'S STORES LIMITED

DIRECTOR AND OFFICIALS

DIRECTOR:

Mr. Clive. Baker

SECRETARY:

Ms V J Churchill

REGISTERED OFFICE:

44 Graham Road
Purley
Surrey CR8 2EL

BANKERS:

National Westminster Bank Plc.
40 Whitgift Centre,
Croydon, Surrey.
CR9 3QB

Bank of Scotland
Money Markets Account Centre
2 Robertson Avenue
Edinburgh EH11 1PZ

ACCOUNTANTS:

Messrs. Edwards Trew & Co.,
Hyde Park House
5 Manfred Road
Putney,
London SW15 2RS

STOCKBROKERS:

Charles Stanley & Co Ltd
55 Bishopsgate,
London
EC2N 3AS

BAKER'S STORES LIMITED
REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2019

The Director has pleasure in submitting the Annual Report to the Members, together with the abridged unaudited Financial Statements for the year ended 31 December 2019.

(1) **Activities**

The Company is engaged as an Investment Company with an investment Portfolio of Quoted Securities.

(2) **Director**

The Director and his beneficial interest in the issued Shares of the company during and at the end of the year under review were as follows:

	<u>2019</u>	<u>2018</u>
	Ordinary Shares of £1 each	
Mr C Baker	<u>1,159</u>	<u>1,159</u>

(3) **Business Review and Results**

The company has been engaged in the maintaining of its investment portfolio of Quoted Securities during the year under review. The Director is pleased with the results for the year given the difficulties in the financial markets. The Results for the year are shown on page 5.

(4) **Dividend Recommendation**

In past years provision was considered for an Ordinary Dividend to be paid for the years to 31st December 2016 and 31st December 2017 of £10 net per share amounting to £33,000 for each of the years to 31st December 2016 and 2017. On 12 January 2017 the outstanding dividend of £33,000 was paid for the year to 14 March 2019. The next dividends to be paid on 28 December 2019 of £10 net per share amounted to £33,000 and on 26 March 2020 of £5 net per share amounted to £16,500 for the year to 31 December 2019. It was then decided that no further dividend should be declared on the issued share Capital for the year to 31st December 2019 and accordingly no further dividend has been included in the 2019 accounts.

The Director is pleased to report that the results for the year to 31st December 2019 show an improvement over the year to 31st December 2018. In addition to this Tesco which from its start has been the Company's dominant investment has now improved and the dividend has increased, and it is now hoped that after the last few years which have been difficult the Company's profitability and cash flow is now improving. The objective of not providing for future dividends to be paid for the year to 31st December 2019 is to enable payment of dividends declared to catch up and to be paid at a faster rate to the shareholders.

(5) **Shareholdings**

The following Shareholders had interests in the Issued Share Capital of the Company at the beginning and end of the year under review:

	<u>At 31 December 2019</u>	<u>At 31 December 2018</u>
	<u>Ordinary Shares of £1</u>	
Mr C Baker	1,159	1,159
Dr C R Jarvis	578	578
Ms V J Churchill	329	329
Mr G.F. Stevens	328	328
Mr J.J. Stevens	328	328
Mr R.G. Stevens	328	328
Mr P M Churchill Arnold	125	125
Miss M F Arnold	<u>125</u>	<u>125</u>
	<u>3,300</u>	<u>3,300</u>

(6) **Reporting Accountants**

Messrs. Edwards Trew & Co., Chartered Accountants have expressed their willingness to continue to act and a Resolution for their reappointment will be submitted to the Annual General meeting.

By Order of the Board.

Ms V J Churchill, Company Secretary.
1 August 2020

M. J. Churchill

BAKER'S STORES LIMITED

STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare abridged unaudited financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the director is required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the abridged unaudited financial statements comply with the Companies Act 2006.

He is 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.

REPORT OF THE ACCOUNTANTS TO THE MEMBERS OF

BAKER'S STORES LIMITED

We report on the abridged unaudited Financial Statements of the Company for the year to 31st December 2019 set out on pages 5 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

As described on page 3, the Company's Director is responsible for the preparation of the abridged unaudited Financial Statements, and he considers that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to form an opinion on those Financial Statements.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the Financial Statements with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this Report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) The abridged unaudited Financial Statements have been prepared in accordance with the provisions applicable to Companies subject to the small companies regime.
- (b) having regard only to, and on the basis of, the information contained in those accounting records;
 - (i) The Financial Statements have been prepared in accordance with the special provisions for Small Companies under Section 477 of the Companies Act 2006.
 - (ii) The members have not required the company to obtain an audit of its accounts for the year to 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

Hyde Park House
5 Manfred Road
Putney
London SW15 2RS
1 August 2020


Edwards Trew & Co
Chartered Accountants
Registered Auditor

BAKER'S STORES LIMITED**ABRIDGED UNAUDITED REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019**

<u>INCOME</u>	<u>2019</u>		<u>2018</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Dividends and Interest (Gross) on Quoted Securities:				
Dividends from United Kingdom Companies and Unit Trusts	55,165		41,769	
Dividends from Overseas Companies	3,684		3,126	
Interest on British Government Securities and Interest distributions from Unit Trusts	<u>3,956</u>	62,805	<u>2,304</u>	47,199
Currency Translation Gain		137		1
Bank Deposit Interest		-		-
<u>TOTAL REVENUE</u>		<u>62,942</u>		<u>47,200</u>
<u>LESS MANAGEMENT EXPENSES</u>				
Director's Remuneration	1,000		1,000	
Secretary's Remuneration and expenses	300		300	
Bank charges	63		61	
Stockbrokers Management charges	9,001		8,391	
Accountancy charges	4,425		3,900	
Annual Return Filing Fee	<u>13</u>	<u>(14,802)</u>	<u>13</u>	<u>(13,665)</u>
<u>NET REVENUE FOR THE YEAR BEFORE TAXATION</u>		48,140		33,535
<u>LESS PROVISION FOR TAXATION</u> based on the Results for the year		<u>(5,869)</u>		<u>(857)</u>
<u>NET REVENUE AVAILABLE TO SHAREHOLDERS</u>		42,271		32,678
<u>DIVIDEND</u>				
Paid £33,000 and Proposed final dividend £16,500		<u>(49,500)</u>		-
<u>RETAINED PROFIT</u>		<u>(7,229)</u>		<u>32,678</u>
<u>REVENUE RESERVE BROUGHT FORWARD</u>				
1 January 2019		<u>122,004</u>		<u>89,326</u>
<u>REVENUE RESERVE CARRIED FORWARD</u>				
31 December 2019		<u>114,775</u>		<u>122,004</u>

BAKER'S STORES LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
<u>Capital Profit on Investing Activities</u>		
Realised Gains Less Losses arising on Disposal of Investments	128,670	17,232
Less provision for Corporation Taxation on Capital Gains, after taking account of losses brought forward	<u>(21,479)</u>	<u>(2,104)</u>
Capital Surplus for the year	107,191	15,128
<u>Net Revenue available for Shareholders</u>	<u>168,644</u>	<u>153,516</u>
<u>Net Recognised Profit for the year</u>	<u>275,835</u>	<u>168,644</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**Revenue Profits**

Net Revenue available for Shareholders	168,644	153,516
Dividends (Proposed)	<u>(49,500)</u>	<u>-</u>
	119,144	153,516
Capital surplus for the Year	<u>107,191</u>	<u>15,128</u>
<u>Net Addition to Shareholders Funds</u>	<u>226,335</u>	<u>168,644</u>
Transfer (from)/to Revenue Reserves	(7,229)	32,678
Transfer to/(from) Capital Reserve	<u>107,191</u>	<u>15,128</u>
	<u>99,962</u>	<u>47,806</u>
Shareholder's Funds at 31 December 2019	761,210	661,248
Shareholders' Funds at 1 January 2019	<u>(661,248)</u>	<u>(613,442)</u>
Net Increase in Shareholders Funds	<u>99,962</u>	<u>47,806</u>
All activities are continuing		

BAKER'S STORES LIMITED
ABRIDGED UNAUDITED BALANCE SHEET - 31 DECEMBER 2019

REGISTERED IN ENGLAND NO. 00231844

	<u>2019</u>		<u>2018</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>QUOTED INVESTMENTS</u> at cost				
Other Quoted Securities (Market Value £1,938,710 2018 £1,594,876)	(Note 6)	<u>715,502</u>	<u>588,841</u>	588,841
<u>CURRENT ASSETS</u>				
Balances with Bankers		106,131	157,079	
Income Receivable		-	1,303	
Income Tax Recoverable		<u>-</u>	<u>-</u>	<u>158,382</u>
		821,633		747,223
<u>LESS CREDITORS</u>				
(amounts payable within one year)				
Creditors and Accrued charges		17,109	17,871	
UK Corporation Tax payable		26,814	2,104	
Proposed Dividend		<u>16,500</u>	<u>66,000</u>	<u>(85,975)</u>
		<u>761,210</u>		<u>661,248</u>
Represented By				
<u>CALLED UP SHARE CAPITAL & RESERVES</u>				
<u>CALLED UP SHARE CAPITAL</u>				
3,300 Ordinary Shares of £1 each, fully paid (Note 7)		3,300		3,300
<u>CAPITAL RESERVE</u>	(Note 5)	643,135		535,944
<u>REVENUE RESERVE</u>	(Page 5)			
Profit and Loss Account		<u>114,775</u>		<u>122,004</u>
		<u>761,210</u>		<u>661,248</u>

The Director considers that the Company is entitled to exemption from the requirement to have an audit under the Provision of Section 477 (2) of the Companies Act 2006. Members have not required the Company to obtain an audit of the Accounts for the Year to 31st December 2019 in accordance with Section 476 of the Companies Act 2006.

The Director acknowledges his responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of Accounts. These Accounts have been prepared in accordance with the provisions applicable to Companies subject to small companies' regime.

The Accounting policies and Notes on pages 9 to 11 form part of these abridged unaudited Financial Statements. Approved by the Board on 1 August 2020 and signed on its behalf.

Mr C Baker, Director



BAKER'S STORES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>2019</u>		<u>2018</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>OPERATING ACTIVITIES</u>				
Investment Income received	62,942		47,200	
Interest received				
Cash payments	<u>(13,566)</u>		<u>(12,761)</u>	
Net Cash Inflow from Operating Activities (Note 9)		49,376		34,439
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>				
Ordinary Dividend paid		(99,000)		-
<u>TAXATION</u>				
U K Tax paid	(2,799)		(1,233)	
Overseas tax paid	<u>(535)</u>		<u>(162)</u>	
Total Tax paid		(3,334)		(1,395)
<u>INVESTING ACTIVITIES</u>				
Purchases of Investments	(702,992)		(451,133)	
Sales of Investments	<u>705,002</u>		<u>503,150</u>	
Net Cash Inflow/(Outflow) from Investing Activities		<u>2,010</u>		<u>52,028</u>
<u>NET (OUTFLOW)/CASH INFLOW BEFORE FINANCING</u>		(50,948)		85,072
<u>FINANCING</u>		<u>-</u>		<u>-</u>
<u>(DECREASE)/INCREASE IN CASH</u> (Note 10)		<u>(50,948)</u>		<u>85,072</u>

BAKER'S STORES LIMITED
NOTES TO THE ABRIDGED UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(1) ACCOUNTING POLICIES

Accounting Policies adopted in respect of the year to 31 December 2019 and which are consistent with those adopted in the previous year.

(a) Dividends, Interest and Expenses

- (i) Franked dividends and interest payments, which include imputed tax credits and tax deducted at source received during the year are treated as Revenue of the year.
- (ii) Expenses are charged to Revenue Account in the year to which they relate.

(b) Taxation

Imputed tax credits on franked investment income are treated as part of the tax charge for the year.

(c) Investments

Investments held by the Company are shown at cost. Surpluses or losses on investments are only recognised on realisation in the year of disposal and unrealised gains and losses are not recognised in the Financial Statements. In accordance with the normal practice for investment trust companies' profits and losses on the realisation of investments are taken to capital reserve.

(d) Capital Reserve

The following are accounted for in the capital reserve:

- gains and losses on the realisation of investments
- realised exchange differences of a capital nature
- expenses, together with the related taxation effect, charged to this reserve in accordance with the above policies
- realised gains and losses on transactions undertaken to hedge an exposure of a capital nature.

(2) DIRECTOR'S EMOLUMENTS

	<u>2019</u>	<u>2018</u>
Director's Emoluments for Services rendered in an Executive Capacity	£ <u>1,000</u>	£ <u>1,000</u>

(3) TAXATION

	<u>2019</u>	<u>2018</u>
Charge for taxation as dealt with in the Profit and Loss Account:	£	£
U K Corporation Tax payable	5,333	695
Overseas Tax paid on investment income	536	162
Imputed Tax Credits on Franked Investment Income	-	-
	<u>5,869</u>	<u>857</u>
	<u>2019</u>	<u>2018</u>
Taxation as dealt with in the Balance Sheet: -	£	£
Net U.K. Corporation Tax payable on Capital Gains arising on Sales of investments during the year. Less losses brought forward	<u>£21,479</u>	<u>£2,104</u>

BAKER'S STORES LIMITED
NOTES TO THE ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2019 (Continued)

4.	<u>SURPLUS ON DISPOSAL OF INVESTMENTS</u>	<u>2019</u>	<u>2018</u>
		£	£
	Surplus Disposal of Investments	128,670	17,232
	Less Provision for Taxation	<u>(21,479)</u>	<u>(2,104)</u>
	Capital Surplus for the year	<u>107,191</u>	<u>15,128</u>

It is calculated that no provision for Corporation Tax is required after taking account of losses brought forward.

5.	<u>CAPITAL RESERVE</u>	<u>2019</u>	<u>2018</u>
		£	£
	Movements on Capital Reserve:		
	Balance at 1 January 2019	535,944	520,816
	Net Surplus on Disposal of Quoted Investments	<u>107,191</u>	<u>15,128</u>
	Balance at 31 December 2019	<u>643,135</u>	<u>535,944</u>

6.	<u>INVESTMENTS</u>	<u>Valuations</u>	<u>Cost</u>
		£	£
	Balance at 1 January 2019	1,594,876	588,842
	Purchases	702,992	702,992
	Sales	(705,002)	(576,332)
	Net Realised Gains 2019 Surplus, on sales of Investments during the year	128,670	
	Increase in Unrealised appreciation	<u>217,174</u>	
	Balance at 31 December 2019	<u>1,938,710</u>	<u>715,502</u>

It is calculated that a liability to Corporation Tax of approximately £21,479 would arise on the sale of investments in the year to 31 December 2019. The net surplus arising on the sale of investments sold during the year has been transferred to Capital Reserve. The Unrealised appreciation of investments is not included in the Shareholders Funds.

(i)	<u>Segmented Information</u>	<u>Valuation</u>	<u>Cost</u>	<u>Valuation</u>	<u>Cost</u>
		<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
		£	£	£	£
	Quoted United Kingdom Companies	1,710,146	553,749	1,269,813	319,695
	United Kingdom Unit Trusts and Collective Funds	42,428	25,727	114,868	86,018
	Quoted Overseas Companies	186,136	136,026	210,195	183,129
	Other Structured Products	-	-	-	-
		<u>1,938,710</u>	<u>715,502</u>	<u>1,594,876</u>	<u>588,842</u>

- (ii) Income from Quoted Securities, including British Government Securities and other Loan Stock amounted to £ 62,805 (2018 £47,199) of which £ 55,165 (2018 £41,769) is Franked Investment Income.

BAKER'S STORES LIMITED
NOTES TO THE ABRIDGED UNAUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2019 (CONTINUED)

7.	<u>SHARE CAPITAL</u>	<u>2019</u>	<u>2018</u>
	Called Up Share Capital		
	3,300 Ordinary Shares of £1 each fully paid	<u>£3,300</u>	<u>£3,300</u>
8.	<u>DIVIDEND PROPOSED</u>	<u>2019</u>	<u>2018</u>
	Proposed Dividend of £ 15.00 (Net) per Share on 3,300 Shares (2018 Dividend of £ - (Net) per share on 3,300 Shares)	<u>49,500</u>	<u>-</u>
		<u>2019</u>	<u>2018</u>
		<u>£</u>	<u>£</u>
9.	<u>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</u>		
	Income before Taxation	48,140	33,535
	Increase in Creditors & Accrued charges And Debtors	<u>152,213</u>	<u>(37,675)</u>
		<u>200,353</u>	<u>(4,140)</u>
10.	<u>ANALYSIS OF CHANGES IN CASH DURING THE YEAR</u>	<u>2019</u>	<u>2018</u>
	At 31 December 2018	157,079	72,007
	Net (Outflow)/Cash Inflow	<u>(50,948)</u>	<u>85,072</u>
	At 31 December 2019	<u>106,131</u>	<u>157,079</u>
11.	<u>CASH BALANCES</u>	<u>2019</u>	<u>2018</u>
		<u>£</u>	<u>£</u>
	Cash at Bank	106,131	157,079
			(50,948)