

BAKER'S STORES LIMITED

(REGISTERED IN ENGLAND NO. 00231844)

DIRECTOR'S REPORT AND ABRIDGED UNAUDITED FINANCIAL STATEMENTS

31 DECEMBER 2017



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

BAKER'S STORES LIMITED

ANNUAL REPORT 2017

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BAKER'S STORES LIMITED
ACCOUNTS TO 31st DECEMBER 2017
BUSINESS AND HISTORY OF THE COMPANY

1) Our Objectives and History

The Company invests in a portfolio of UK quoted companies. Our primary objective is to achieve capital growth by investing in a portfolio of stocks that are well placed to generate an attractive cash payback that they will be able to fund a growing stream of dividend payments over the next three to five years.

The Company has a history in the retail food industry and had a number of retail shops and supermarkets which were all sold by the early 1970s. For many years in order to be able to pay good dividends to the Shareholders had invested the funds arising from the sales of the shops in quoted investments such as Tesco and other companies.

In recent years, Tesco has had various problems and has become less profitable and it is now very good to see that Tesco has changed its policies and has now taken the required steps to become profitable again and hopefully will again be in the position to pay dividends, starting within the course of the next year or so, so that within a comparatively short period of time the Shareholders will again receive a good dividend on their investments. The Company has also taken steps to diversify into other quoted investments, which with the help of the stockbrokers Kleinwort Benson, has enabled the funds to grow in value and so again within a comparatively short period of time, the Shareholders should be in receipt of adequate dividends to reimburse them for the less profitable years and hopefully to result in a good level of profit and dividend paid going forward.

NOTES TO THE FINANCIAL STATEMENTS

2) Accounting Policies

Baker's Stores Limited is a Company incorporated and registered in England and Wales. The principal business of the Company is that of maintaining its investment portfolio of quoted securities. However, the Company is not treated as an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

The Company's financial statements for the year ended 31st December 2017 have been prepared in conformity with FRS102 and also to comply where possible with IFRS as adopted by the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and as applied in accordance with the provisions of the Companies Act 2006. The annual financial statements have also been prepared with regard to AIC SORP for the financial statements of investment trust companies, except to any extent where it is not consistent with the requirements of FRS102 and IFRS.

BAKER'S STORES LIMITED
ACCOUNTS TO 31st DECEMBER 2017
NOTES TO THE FINANCIAL STATEMENTS (cont.)

3) Basis of Preparation

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been prepared alongside the Income Statement.

The financial statements are presented in Sterling, which is the Company's functional currency as the UK is the primary environment in which it operates, rounded to the nearest £100 except where otherwise indicated.

4) Going Concern

The financial statements have been prepared on a going concern basis and on the basis, that approval as an investment trust company will continue to be met.

The Director has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future, being a period of 12-months from the date these financial statements were approved. Furthermore, the Director is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, taking

investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis.

5) Segmental Reporting

The Director is of the opinion that the Company is engaged in a single segment of business, being investment business. The Company primarily invests in companies listed in the UK and Ireland, although also has investments in Europe and USA.

6) Accounting Developments

The accounting policies are consistent with those of the previous financial year. The taxation treatment of dividends from UK companies changed with effect from 6th April 2016 and from this date are received on a gross basis, without deduction of tax, in the year under review and subject to Corporation Tax after deduction of the relevant expenditure.

7) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts in the Balance Sheet, the Income Statement and the disclosure of contingent assets and liabilities at the date of the financial statements.

BAKER'S STORES LIMITED
ACCOUNTS TO 31st DECEMBER 2017
NOTES TO THE FINANCIAL STATEMENTS (cont.)

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

(Cont. Point No.7 from Page 2)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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 period if the revision affects both current and future periods. There were no such significant accounting estimates or judgements in the current year to 31st December 2017.

8) Investments

The Company's business is focussed on investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on this basis to the Company's Director by the Company's Stockbrokers.

Upon initial recognition the Company designates the investments 'at fair value through profit or loss'. They are included initially at fair value, which is taken to be their cost (excluding expenses incidental to the acquisition, other than buying expenses, which are written off in the Income Statement, and allocated to 'capital' at the time of acquisition). When a purchase or sale is made under a contract, the terms of which require delivery within the time-frame of the relevant market, the investments concerned are recognised or derecognised on the trade date. Subsequent to initial recognition, prices or closing prices is reported by the Company's Stockbrokers. Changes in fair value of investments are recognised in the Income Statement as a capital item. On disposal, realised gains and losses are recognised in the Income Statement as capital items.

All investments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy,

9) Foreign currency

The Financial Statements have been prepared in Sterling, rounded to the nearest £1, which is the functional and reporting currency of the Company.

Transactions denominated in foreign currencies are converted to Sterling at the actual exchange rate as at the date of the transaction.

BAKER'S STORES LIMITED
ACCOUNTS TO 31st DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS (cont.)

Foreign currency (Cont. Point No.9 from Page 3)

Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rate of exchange at the Balance Sheet data. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is of a capital or revenue nature.

10) Cash and Cash Equivalents

For the purpose of the Balance Sheet, there are no items of cash which need to be separately be reported under cash in hand and demand deposits.

11) Income

Dividends received from UK-registered companies are accounted for gross of imputed tax credits for the period to 5th April 2016 and gross dividends received after this date. Dividends from overseas companies are shown gross of any non-recoverable withholding taxes, which are shown separately in the Income Statement

12) Expenses and Finance Costs

All expenses and finance costs are accounted for on an accruals basis.

13) Taxation

No deferred tax provision is generally required as the temporary differences received as between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date based on tax rates that in the period when the liability is settled or the asset is realised. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted.

The actual charge for taxation in the Income Statement also includes the irrecoverable withholding tax on overseas dividends received during the year.

14) Dividends Payable to Shareholders

Dividends to Shareholders are recognised as a liability for the period in which they are agreed by the Director to be put forward for meetings and are then taken to the Statement of Changes in Equity. Dividends relating to periods after the Balance Sheet date have not been recognised as a liability of the Company at the Balance Sheet date. Dividends due for periods up to this date are paid in a subsequent period are however included to bring clarity to the reader to the total dividends payable at the Balance Sheet date in the accounts.

BAKER'S STORES LIMITED
ACCOUNTS TO 31st DECEMBER 2017
NOTES TO THE FINANCIAL STATEMENTS (cont.)

15) Revenue Reserves

The revenue reserve represents the surplus of accumulated profits and can be distributed.

16) Capital Reserve

The following are taken to this reserve;

- gains and losses on the disposal of investments
- exchange difference of a capital nature; and
- expenses together with the related taxation effect, allocated to this reserve in accordance with the above policies.

17) 2 Principal Risks and Uncertainties

The Company could be exposed to a variety of risks and uncertainties that could cause the income from the investment portfolio to reduce, possibly by a worrying percentage in the most adverse circumstances. The principal financial risks and the Company's policies for managing these risks and the policy and practice with regard to the portfolio are summarised below.

The Director through discussions with the Stockbrokers, Accountants and other advisors undertakes a robust annual assessment and review of the principal risks facing the Company, together with a review of any new risks which may have arisen during the year, including those that would threaten its business model, future performance, solvency or liquidity.

These risks include;

1. Investments and Strategy

There can be no guarantee that the Company will achieve its targets and objectives or be able to pay the dividends discussed and agreed in advanced with the Director and Shareholders.

2. Reliance on third parties

The Company has no employees other than the Director and the Company Secretary and are therefore reliant on the help and performance of the Stockbrokers and other advisors.

3. Cost of Operation

It is necessary to keep the cost of the help required in keeping with the expected expenditure where possible.

4. Volatility in the Market and Liquidity at Mark ability

The value of the Company's Investments may fluctuate quite considerably depending on market conditions and other matters such as Brexit. In these more difficult times it is helpful for Shareholders to maintain regular discussions with the Director and each other.

BAKER'S STORES LIMITED
DIRECTOR'S REPORT AND ABRIDGED UNAUDITED
FINANCIAL STATEMENTS
31 DECEMBER 2017
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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 EH1 1PZ

ACCOUNTANTS:

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

STOCKBROKERS:

Kleinwort Benson
Investment Management Limited,
P.O. Box 191,
10 Fenchurch Street,
London EC3M 3LB

BAKER'S STORES LIMITED
REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017.

(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>2017</u>	<u>2016</u>
	Ordinary Shares of £1 each	
Mr C Baker	<u>1,159</u>	<u>1,159</u>

(3) **Company Secretary**

The Director wishes to thank Mr R G Stevens for the period of more than 10 years of his considerable help and valuable service as Company Secretary who resigned on the 3rd July, 2018. Ms Valerie Churchill has been engaged as Company Secretary as from 4th July, 2018.

(4) **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.

(5) **Dividend Recommendation**

Your Director recommends that a dividend of £10 net per share be declared on the issued Share Capital of the company of 3,300 Ordinary Shares (2016 £10 per share), amounting to a dividend payment of £33,000 in total for both the years to 31st December, 2016 and 31st December, 2017 of £33,000 for each year.

(6) **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</u> <u>December</u> <u>2017</u>	<u>At 31</u> <u>December</u> <u>2016</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>

(7) **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.

Valerie J. Churchill

Ms V J Churchill, Company Secretary.
25 September 2018

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 2017 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

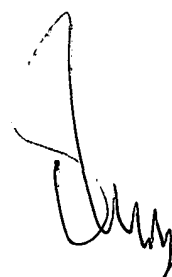
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the Financial Statements with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary 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 2017 in accordance with Section 476 of the Companies Act 2006.

Hyde Park House
5 Manfred Road
Putney
London SW15 2RS
25 September 2018



Edwards Trew & Co
Chartered Accountants
Registered Auditor

BAKER'S STORES LIMITED**REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017**

	<u>2017</u>		<u>2016</u>	
<u>INCOME</u>	£	£	£	£
Dividends and Interest (Gross) on Quoted Securities:				
Dividends from United Kingdom Companies and Unit Trusts	32,211		25,457	
Dividends from Overseas Companies	3,305		3,838	
Interest on British Government Securities and Interest distributions from Unit Trusts	<u>2,573</u>	38,089	<u>1,684</u>	30,979
Currency Translation Gain		-		956
Bank Deposit Interest		<u>-</u>		<u>1</u>
<u>TOTAL REVENUE</u>		38,089		31,936
<u>LESS MANAGEMENT EXPENSES</u>				
Director's Remuneration	1,000		1,000	
Secretary's Remuneration	300		300	
Bank charges	61		55	
Stockbrokers Management charges	7,688		8,194	
Accountancy charges	3,060		3,060	
Filing late fee	150		-	
Annual Return Filing Fee	<u>13</u>	<u>(12,272)</u>	<u>13</u>	<u>(12,622)</u>
<u>NET REVENUE FOR THE YEAR BEFORE TAXATION</u>		25,817		19,314
<u>LESS PROVISION FOR TAXATION</u> based on the Results for the year		<u>(615)</u>		<u>(1,235)</u>
<u>NET REVENUE AVAILABLE TO SHAREHOLDERS</u>		25,817		18,079
<u>DIVIDEND</u>				
Proposed final dividend		<u>(33,000)</u>		<u>(33,000)</u>
<u>RETAINED LOSSES</u>		(7,798)		(14,921)
<u>REVENUE RESERVE BROUGHT FORWARD</u>				
1 January 2017		<u>97,124</u>		<u>112,045</u>
<u>REVENUE RESERVE CARRIED FORWARD</u>				
31 December 2017		<u>89,326</u>		<u>97,124</u>

BAKER'S STORES LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****FOR THE YEAR ENDED 31 DECEMBER 2017**

	<u>2017</u> £	<u>2016</u> £
<u>Capital Profit on Investing Activities</u>		
Realised Gains Less Losses arising on Disposal of Investments	7,535	53,283
Less provision for Taxation, after taking account of losses brought forward	<u>(539)</u>	<u>(7,509)</u>
Capital Surplus for the year	6,996	45,774
<u>Net Revenue available for Shareholders</u>	<u>146,520</u>	<u>100,746</u>
<u>Net Recognised Profit for the year</u>	<u>153,516</u>	<u>146,520</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

<u>Revenue Profits</u>		
Net Revenue available for Shareholders	146,520	100,746
Dividends (Proposed)	<u>(33,000)</u>	<u>(33,000)</u>
	113,520	67,746
Capital surplus for the Year	<u>6,996</u>	<u>45,774</u>
<u>Net Addition to Shareholders Funds</u>	<u>120,516</u>	<u>113,520</u>
Transfer to/ (from) Revenue Reserves	(7,798)	(14,921)
Transfer to/(from) Capital Reserve	<u>6,996</u>	<u>45,774</u>
	<u>(802)</u>	<u>30,853</u>
Shareholders' Funds at 1 January 2017	614,244	583,391
Shareholder's Funds at 31 December 2017	<u>(613,442)</u>	<u>(614,244)</u>
Net Increase in Shareholders Funds	<u>(802)</u>	<u>(30,853)</u>
All activities are continuing		

BAKER'S STORES LIMITED
ABRIDGED UNAUDITED BALANCE SHEET - 31 DECEMBER 2017

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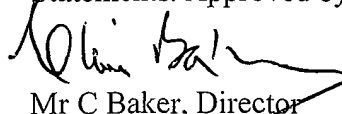
REGISTERED IN ENGLAND NO. 00231844

	2017		2016	
	£	£	£	£
<u>QUOTED INVESTMENTS</u> at cost				
British Government Securities				
(Market Value £Nil				
2016 £8,488	(Note 6)	-	-	
Other Quoted Securities				
(Market Value £1,585,232				
2016 £1,585,194)	(Note 6)	<u>623,638</u>	<u>623,638</u>	<u>615,369</u>
				615,369
<u>CURRENT ASSETS</u>				
Balances with Bankers		72,007	82,177	
Income Receivable		894	-	
Income Tax Recoverable		<u>-</u>	<u>-</u>	<u>82,177</u>
		696,539		697,546
<u>LESS CREDITORS</u>				
(amounts payable within one year)				
Creditors and Accrued charges		15,958	9,193	
UK Corporation Tax payable		539	7,509	
Proposed Dividend		<u>66,600</u>	<u>66,600</u>	<u>(83,302)</u>
		<u>613,442</u>		<u>614,244</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)	520,816		513,820
<u>REVENUE RESERVE</u>	(Page 5)			
Profit and Loss Account		<u>89,326</u>	<u>97,124</u>	
		<u>613,442</u>	<u>614,244</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 2017 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 25 September 2018 and signed on its behalf.


Mr C Baker, Director

BAKER'S STORES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

	<u>2017</u>		<u>2016</u>	
	£	£	£	£
<u>OPERATING ACTIVITIES</u>				
Investment Income received	38,089		31,936	
Interest received				
Cash payments	(23,035)		(12,622)	
Net Cash Inflow from Operating Activities (Note 9)		15,054		19,314
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>				
Ordinary Dividend paid		(33,000)		(39,000)
<u>TAXATION</u>				
U K Tax paid	(615)		(1,235)	
Overseas tax paid	<u>-</u>		<u>-</u>	
Total Tax paid		(615)		(1,235)
<u>INVESTING ACTIVITIES</u>				
Purchases of Investments	(65,462)		(264,511)	
Sales of Investments	<u>73,853</u>		<u>254,400</u>	
Net Cash Inflow/(Outflow) from Investing Activities		<u>8,390</u>		<u>(19,112)</u>
<u>NET CASH INFLOW /(OUTFLOW) BEFORE FINANCING</u>		(10,171)		(40,033)
<u>FINANCING</u>		<u>-</u>		<u>-</u>
<u>INCREASE/(DECREASE) IN CASH</u> (Note 10)		<u>(10,171)</u>		<u>(40,033)</u>

NOTES TO THE ABRIDGED UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

(1) ACCOUNTING POLICIES

Accounting Policies adopted in respect of the year to 31 December 2017 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>2017</u>	<u>2016</u>
Director's Emoluments for Services rendered in an Executive Capacity	£ <u>1,000</u>	£ <u>1,000</u>

(3) TAXATION

	<u>2017</u>	<u>2016</u>
Charge for taxation as dealt with in the Profit and Loss Account:	£	£
U K Corporation Tax payable	-	-
Overseas Tax paid on investment income	-	-
Imputed Tax Credits on Franked Investment Income	<u>615</u>	<u>1,235</u>
	<u>615</u>	<u>1,235</u>
	<u>2017</u>	<u>2016</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>539</u>	£ <u>7,509</u>

BAKER'S STORES LIMITED
NOTES TO THE ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2017 (Continued)

4.	<u>(LOSS)/SURPLUS ON DISPOSAL OF INVESTMENTS</u>	<u>2017</u>	<u>2016</u>
		£	£
	Surplus Disposal of Investments	7,535	53,283
	Less Provision for Taxation	<u>(539)</u>	<u>(7,509)</u>
	Capital Surplus for the year	<u>6,996</u>	<u>45,774</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>2017</u>	<u>2016</u>
		£	£
	Movements on Capital Reserve:		
	Balance at 1 January 2017	513,820	468,046
	Net Surplus on Disposal of Quoted Investments	<u>6,996</u>	<u>45,774</u>
	Balance at 31 December 2017	<u>520,816</u>	<u>513,820</u>

6.	<u>INVESTMENTS</u>	<u>Valuations</u>	<u>Cost</u>
		£	£
	Balance at 1 January 2017	1,585,194	615,370
	Purchases	65,462	65,462
	Sales	(73,853)	(57,193)
	Net Realised Gains 2017 Surplus, on sales of Investments during the year	7,535	
	Increase in Unrealised appreciation	<u>229,150</u>	
	Balance at 31 December 2017	<u>1,813,488</u>	<u>623,639</u>

It is calculated that a liability to Corporation Tax of approximately £ 539 would arise in the event of the sale of these investments based on the market values at 31 December 2017. The net (loss) arising on the sale of investments sold during the year has been transferred to Capital Reserve. The Unrealised appreciation of the 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>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
		£	£	£	£
	British Government and other Loan Stocks	-	-	-	-
	Quoted United Kingdom Companies	1,423,463	325,314	1,233,424	334,539
	United Kingdom Unit Trusts and Collective Funds	164,121	118,256	159,171	127,404
	Quoted Overseas Companies	212,332	166,878	179,109	140,235
	Other Structured Products	<u>13,572</u>	<u>13,192</u>	<u>13,490</u>	<u>13,192</u>
		<u>1,813,488</u>	<u>623,639</u>	<u>1,585,194</u>	<u>615,370</u>

- (ii) Income from Quoted Securities, including British Government Securities and other Loan Stock amounted to £ 38,089 (2016 £30,979) of which £ 32,211 (2016 £25,457) is Franked Investment Income.

BAKER'S STORES LIMITED**NOTES TO THE ABRIDGED UNAUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED****31 DECEMBER 2017 (CONTINUED)**

7.	<u>SHARE CAPITAL</u>	<u>2017</u>	<u>2016</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>2017</u>	<u>2016</u>	
	Proposed Dividend of £ 10.00 (Net) per Share on 3,300 Shares (2016 Dividend of £10.00 (Net) per share on 3,300 Shares)	<u>33,000</u>	<u>33,000</u>	
		<u>2017</u>	<u>2016</u>	
		£	£	
9.	<u>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</u>			
	Income before Taxation	25,817	19,314	
	Increase/in Creditors & Accrued charges And Debtors	<u>8,474</u>	<u>111,753</u>	
		<u>34,291</u>	<u>131,067</u>	
10.	<u>ANALYSIS OF CHANGES IN CASH DURING THE YEAR</u>	<u>2017</u>	<u>2016</u>	
	At 31 December 2016	82,177	122,210	
	Net Cash Inflow/(Outflow)	<u>(10,171)</u>	<u>(40,033)</u>	
	At 31 December 2017	<u>72,007</u>	<u>82,177</u>	
11.	<u>CASH BALANCES</u>	<u>2017</u>	<u>2016</u>	<u>Change</u>
		£	£	£
	Cash at Bank	72,007	82,177	<u>(10,171)</u>