

COMPANY NO: 04683428

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# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

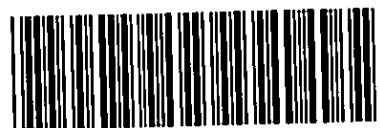
## ANNUAL REPORT

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◆ *Year ended 31 March 2009* ◆

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# **ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

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## **ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

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### **COMPANY INFORMATION**

Directors	Joy-Isabelle Besse David Miller
Secretary	David Miller
Registered office	20-22 Bedford Row London WC1R 4JS
Registered number	04683428
Auditors	Grant Thornton UK LLP Chartered Accountants and Registered Auditor 30 Finsbury Square London EC2P 2YU
Bankers	Coutts & Co 188 Fleet Street London EC4A 2HT

**REPORT OF THE DIRECTORS**

The directors present their report and audited consolidated financial statements for the year ended 31 March 2009.

**Principal activities**

The principal activity of the company is the provision of management services to Atlantic Equities LLP (the "LLP").

**Results and dividends**

The group profit for the year after tax and before dividends amounted to £232,486 (2008: £124,535). The company made a profit after tax and before dividend of £212,850 (2008: £125,016).

During the year an interim dividend of £320,000 (2008: £200,000) was paid. The directors do not propose to pay a final dividend (2008: £Nil).

**Business review and future developments**

Under the terms of the Partnership Agreement of the LLP, the company continues to provide management services to the LLP and during the year received £3,213,755 (2008: £1,768,702) to cover its expenses in carrying on the business of the LLP, including a margin of 10 per cent thereon.

The directors expect continued profitability during the forthcoming year.

**Principal risks and uncertainties**

The company provides management services to the LLP and as such is indirectly exposed to the risks and uncertainties faced by the LLP. As an independent broker and investment research business that specialises in US equities, the LLP is exposed to the risks and uncertainties of the financial markets.

**Directors and their interests**

The directors and secretary of the company at 31 March 2009 are set out on page 1 and held office throughout the year unless otherwise stated.

During the period, rights to subscribe for shares in the company have not been granted to, or exercised by, any director or member of his immediate family.

**REPORT OF THE DIRECTORS**  
**(Continued)**

**Directors' responsibilities**

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year that 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 the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. 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 ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with Company law in the United Kingdom.

**Auditors**

A resolution to reappoint Grant Thornton UK LLP will be proposed at the forthcoming annual general meeting.

**Provision of relevant information to the auditors**

The directors who held office at the date of approval of the Report of the Directors confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The report of the directors was approved by the Board on 26 June 2009 and signed on its behalf by:



Joy-Isabelle Besse  
Director

## **ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

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### **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

We have audited the consolidated and parent company financial statements (the "financial statements") of Atlantic Equities Service Company Limited for the year ended 31 March 2009 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with Section 235 of the Companies Act 1985. 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 as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF  
ATLANTIC EQUITIES SERVICE COMPANY LIMITED  
(continued)**

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2009 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
London, England  
26 June 2009

**ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2009**

	Note	Group Year ended 31 March 2009 £	Group Year ended 31 March 2008 £
<b>Turnover</b>	1 & 2	3,456,687	1,768,702
Administrative expenses		<u>(3,139,225)</u>	<u>(1,609,345)</u>
<b>Operating profit</b>	4	317,462	159,357
Bank interest receivable		<u>3,302</u>	<u>2,148</u>
<b>Profit on ordinary activities before taxation</b>		320,764	161,505
Taxation	7	<u>(88,278)</u>	<u>(36,970)</u>
<b>Profit for the financial year after taxation</b>	16	<u>232,486</u>	<u>124,535</u>

All of the group's operations are continuing.

The group had no recognised gains or losses other than the profit for the financial year.

The notes on pages 9 to 16 form part of these financial statements.



**ATLANTIC EQUITIES SERVICE COMPANY LIMITED****CONSOLIDATED AND COMPANY BALANCE SHEETS  
at 31 March 2009**

	Note	Group 31 March 2009 £	Company 31 March 2009 £	Group 31 March 2008 £	Company 31 March 2008 £
<b>Fixed assets</b>					
Tangible assets	9	69,892	68,520	82,263	80,781
Investments	10	-	699	-	504
		69,892	69,219	82,263	81,285
<b>Current assets</b>					
Debtors	11	672,661	659,603	342,615	344,074
Cash at bank and in hand		39,009	22,280	32,514	32,514
		711,670	681,883	375,129	376,588
<b>Creditors: Amounts falling due within one year</b>	12	(733,459)	(722,154)	(323,161)	(323,161)
<b>Net current (liabilities)/assets</b>		(21,789)	(40,271)	51,968	53,427
<b>Total assets less current liabilities</b>		48,103	28,948	134,231	134,712
<b>Provisions for liabilities and charges</b>	13	(5,812)	(5,812)	(4,426)	(4,426)
<b>Net assets</b>		42,291	23,136	129,805	130,286
<b>Capital and reserves</b>					
Called up share capital	14	1	1	1	1
Profit and loss account	15	42,290	23,135	129,804	130,285
<b>Equity shareholder's funds</b>	16	42,291	23,136	129,805	130,286

The financial statements were approved by the Board on 26 June 2009 and signed on its behalf by:



Joy-Isabelle Besse  
Director

The notes on pages 9 to 16 form part of these financial statements.

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**ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

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**CONSOLIDATED CASH FLOW STATEMENT**  
**for the year ended 31 March 2009**

	Note	Group Year ended 31 March 2009 £	Group Year ended 31 March 2008 £
<b>Net cash inflow from operating activities</b>	17	723,949	221,621
<b>Returns on investment and servicing of finance</b>			
Interest received		3,457	2,219
<b>Taxation paid</b>		(31,775)	(25,085)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(32,321)	(78,444)
<b>Dividends paid</b>		(320,000)	(200,000)
<b>Financing</b>			
Loan to Atlantic Equities LLP		(307,431)	-
Repayment of loan from Atlantic Equities LLP		<u>-</u>	<u>57,617</u>
		<u>(307,431)</u>	<u>57,617</u>
<b>Increase/(decrease) in cash</b>	18	<u>35,879</u>	<u>(22,072)</u>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Increase/(decrease) in cash in the year (as above)		35,879	(22,072)
Foreign exchange differences		<u>5,182</u>	<u>(951)</u>
Movement in net funds in the year		41,061	(23,023)
Net debt at 1 April 2008		<u>(49,912)</u>	<u>(26,889)</u>
Net debt at 31 March 2009	18	<u>(8,851)</u>	<u>(49,912)</u>

The notes on pages 9 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2009**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements are prepared in accordance with applicable UK accounting standards under the historical cost convention. As permitted by section 230 of the Companies Act 1985, the profit and loss account of the company has not been separately presented in the financial statements.

**Basis of consolidation**

The group accounts consolidate the accounts of the company and its subsidiary undertaking at 31 March 2009. The accounts of the overseas subsidiary are translated into pounds sterling at the closing rate of exchange.

**Turnover**

Turnover comprises a reimbursement of expenses incurred on behalf of Atlantic Equities LLP, (see note 2) and is accounted for on an accrual basis.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 March 2009. Exchange differences are taken to the profit and loss account.

**Depreciation**

Depreciation is provided on a straight line basis to allocate the cost, less estimated residual value, of the tangible fixed assets over their estimated useful lives:-

Office Equipment	-	3 years
Computer Equipment	-	3 years

Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit.

**Leased Assets**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the leases.

**Taxation**

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

**2. TURNOVER**

The turnover for the period is solely attributable to service management fees received to cover expenses incurred in the operational support of Atlantic Equities LLP plus a margin of 10 per cent thereon as determined by the Partnership Agreement.

## ATLANTIC EQUITIES SERVICE COMPANY LIMITED

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### 3. PRINCIPAL SUBSIDIARY

Atlantic Equities (US) Inc. is the company's principal wholly owned subsidiary included in the consolidation.

For the year ended 31 March 2009, Atlantic Equities (US) Inc. made a profit after tax of equivalent £16,993 (2008: loss of £481).

### 4. OPERATING PROFIT

	<b>Group Year ended 31 March 2009 £</b>	<b>Group Year ended 31 March 2008 £</b>
The operating profit is stated after charging:		
Auditors' remuneration –		
Fees payable to the company's auditor for the audit of the annual financial statements	3,500	3,000
Fees payable to the company's auditor and its associates for other services:		
– other services relating to taxation	3,500	2,000
Operating lease rentals – property	40,191	40,032
Depreciation	45,170	20,892
Foreign exchange differences	<u>(5,182)</u>	<u>951</u>

### 5. DIRECTORS' REMUNERATION

Directors' emoluments for the year were Nil (2008: Nil).

### 6. STAFF COSTS

	<b>Group Year ended 31 March 2009 £</b>	<b>Group Year ended 31 March 2008 £</b>
Wages and Salaries	1,560,499	422,057
Social Security Costs	<u>185,885</u>	<u>50,060</u>
	<u>1,746,384</u>	<u>472,117</u>
The average monthly number of employees and directors was as follows:	<b>No.</b>	<b>No.</b>
Directors	2	2
Others	<u>10</u>	<u>5</u>
Office and Management	<u>12</u>	<u>7</u>

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**ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

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**7. TAXATION**

	<b>Group Year ended 31 March 2009 £</b>	<b>Group Year ended 31 March 2008 £</b>
UK Corporation tax at 20% (2008: 20%)	<u>86,892</u>	<u>32,040</u>
Tax charge in respect of current year	86,892	32,040
Prior year adjustments	-	(177)
Deferred tax	<u>1,386</u>	<u>5,107</u>
	<u>88,278</u>	<u>36,970</u>

The current taxation charge for the year is different from the rate of corporation tax in the UK (28%) (2008: 20%). The differences are explained below.

	<b>Group Year ended 31 March 2009 £</b>	<b>Group Year ended 31 March 2008 £</b>
Profit on ordinary activities before taxation	<u>320,764</u>	<u>161,987</u>
Theoretical tax at UK corporation tax rate of 28% (2008: 20%)	89,814	32,397
Effects of:		
- Capital allowances in excess of depreciation	90	(4,932)
- Other expenditure which is not tax deductible	5,982	4,575
- Marginal relief	(7,575)	-
- Difference in overseas tax rate	(679)	-
- Consolidation adjustment	<u>(740)</u>	<u>-</u>
Actual current tax charge	<u>86,892</u>	<u>32,040</u>

**8. DIVIDENDS**

	<b>Group Year ended 31 March 2009 £</b>	<b>Group Year ended 31 March 2008 £</b>
Ordinary – interim paid	<u>320,000</u>	<u>200,000</u>

The directors do not propose to pay a final dividend.

# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

## 9. FIXED ASSETS

### Group

	Office Equipment £	Computer Equipment £	Total £
Cost:			
At 1 April 2008	65,149	167,780	232,929
Net foreign currency exchange differences	-	478	478
Additions	22,353	9,968	32,321
At 31 March 2009	87,502	178,226	265,728
Depreciation:			
At 1 April 2008	49,510	101,156	150,666
Charge for the year	14,390	30,780	45,170
At 31 March 2009	63,900	131,936	195,836
Net Book Value:			
At 31 March 2008	15,639	66,624	82,263
At 31 March 2009	23,602	46,290	69,892

### Company

	Office Equipment £	Computer Equipment £	Total £
Cost:			
At 1 April 2008	65,149	166,298	231,447
Additions	22,353	9,968	32,321
At 31 March 2009	87,502	176,266	263,768
Depreciation:			
At 1 April 2008	49,510	101,156	150,666
Charge for the year	14,390	30,192	44,582
At 31 March 2009	63,900	131,348	195,248
Net Book Value:			
At 31 March 2008	15,639	65,142	80,781
At 31 March 2009	23,602	44,918	68,520

## 10. INVESTMENTS

	Group 31 March 2009 £	Company 31 March 2009 £	Group 31 March 2008 £	Company 31 March 2008 £
Shares in group undertaking (note 3)	-	699	-	504

**ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

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**11. DEBTORS**

	<b>Group 31 March 2009 £</b>	<b>Company 31 March 2009 £</b>	<b>Group 31 March 2008 £</b>	<b>Company 31 March 2008 £</b>
Other debtors	18,400	18,400	42,601	42,601
Prepayments and accrued income	171,551	166,112	115,400	114,542
Amounts due from Atlantic Equities LLP	431,989	407,587	124,558	124,558
Amounts due from Atlantic Equities (US) Inc.	-	18,225	-	3,356
Recoverable VAT	23,194	23,194	32,932	32,932
Amounts falling due within one year	645,134	633,518	315,491	317,989
Amounts falling due after more than one year:				
Rent deposit	27,527	26,085	27,124	26,085
	672,661	659,603	342,615	344,074

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 31 March 2009 £</b>	<b>Company 31 March 2009 £</b>	<b>Group 31 March 2008 £</b>	<b>Company 31 March 2008 £</b>
Bank overdraft	47,860	47,860	82,426	82,426
Trade creditors	132,179	132,179	40,425	40,425
Corporation tax payable	86,892	81,227	32,040	32,040
Other creditors	19,240	19,240	15,570	15,570
Accruals	447,288	441,648	152,700	152,700
	733,459	722,154	323,161	323,161

# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

## 13. PROVISIONS FOR LIABILITIES AND CHARGES

	Group Year ended 31 March 2009 £	Company Year ended 31 March 2009 £	Group Year ended 31 March 2008 £	Company Year ended 31 March 2008 £
Deferred taxation provided:				
- Accelerated capital allowances	5,812	5,812	4,426	4,426
The movement in the provision is as follows:				
At 1 April 2008	4,426	4,426	(681)	(681)
Movement	1,386	1,386	5,107	5,107
At 31 March 2009	5,812	5,812	4,426	4,426

Deferred tax has been provided at 28% (2008: 20%), the company's current rate of corporation tax, because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse.

## 14. CALLED UP SHARE CAPITAL

Group and Company	31 March 2009 £	31 March 2008 £
<b>Authorised -</b> 1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted -</b> 1 ordinary share of £1	1	1

## 15. RESERVES

	Group Profit and loss account £	Company Profit and loss account £
At 1 April 2008	129,804	130,285
Profit for the financial year after tax	232,486	212,850
Dividends	(320,000)	(320,000)
At 31 March 2009	42,290	23,135



16. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	Group Year ended 31 March 2009 £	Company Year ended 31 March 2009 £	Group Year ended 31 March 2008 £	Company Year ended 31 March 2008 £
Opening shareholder's funds	129,805	130,286	205,270	205,270
Profit for the financial year after tax	232,486	212,850	124,535	125,016
Dividends	(320,000)	(320,000)	(200,000)	(200,000)
Closing shareholder's funds	42,291	23,136	129,805	130,286

17. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group Year ended 31 March 2009 £	Group Year ended 31 March 2008 £
Operating profit	317,462	159,357
Depreciation	45,170	20,892
Increase in debtors	(22,768)	(41,264)
Increase in creditors	389,267	81,685
Foreign exchange differences	(5,182)	951
Net cash inflow from operating activities	723,949	221,621

18. ANALYSIS OF NET DEBT

Group	At 1 April 2008 £	Cash (Outflow)/ inflow £	Non-cash movement £	At 31 March 2009 £
Net cash				
Cash at bank and in hand	32,514	1,313	5,182	39,009
Bank overdraft	(82,426)	34,566	-	(47,860)
Net debt	(49,912)	35,879	5,182	(8,851)

19. CONTROL

As at 31 March 2009 Atlantic Equities LLP was the controlling party of the company, owning 100% of the company's issued share capital.

## **ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

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### **20. FINANCIAL COMMITMENTS – OPERATING LEASES**

As at 31 March 2009 the company had annual commitments under operating leases as follows:

	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
Land and Buildings: leases expiring:		
Between 2 and 5 years	<u>44,400</u>	<u>44,400</u>

### **21. RELATED PARTY TRANSACTIONS**

Atlantic Equities Service Company Limited is a designated member of, and 100% owned by, Atlantic Equities LLP from which the company received service management fees of £3,213,755 (2008: £1,768,702). As at 31 March 2009 Atlantic Equities LLP owed the company £407,587 in service management fees (2008: £124,558).

During the year the company paid a dividend of £320,000 (2008: £200,000) to Atlantic Equities LLP.

During the year AE Limited paid Meteora Partners LLP £241,328 (2008: £225,090) for professional services rendered. Ms Joy-Isabelle Besse and Mr David Miller are designated members of Meteora Partners LLP and directors of Atlantic Equities Service Company Limited.

At 31 March 2009 AE Limited owed Meteora Partners LLP £19,600 (2008: £25,681).