

COMPANY NO: 04683428

---

# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

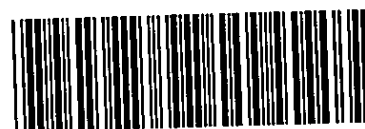
## ANNUAL REPORT AND FINANCIAL STATEMENTS

---

◆ *Year ended 31 March 2012* ◆

---

WEDNESDAY



\*L1CXK9NS\*

LD2

11/07/2012

#6

COMPANIES HOUSE

# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

---

## CONTENTS

	Page
Company Information	1
Report of the Directors	2-3
Report of the Independent Auditor	4-5
Consolidated Profit and Loss Account	6
Consolidated and Company Balance Sheets	7
Consolidated Cash Flow Statement	8
Notes to the Financial Statements	9-18

## **ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

---

### **COMPANY INFORMATION**

Directors	Rupert Della-Porta Christopher Middleton
Registered office	20-22 Bedford Row London WC1R 4JS
Registered number	04683428
Auditor	Grant Thornton UK LLP Chartered Accountants and Statutory 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 2012

### **Principal activities**

The principal activity of the group is the provision of brokerage and management services to Atlantic Equities LLP (the "LLP")

### **Results and dividends**

The group profit for the year after tax and before dividends amounted to £194,200 (2011 £195,349)  
The company made a profit after tax and before dividend of £233,040 (2011 £137,860)

During the year an interim dividend of £Nil (2011 £175,000) was paid in addition to the final dividend of £Nil (2011 £140,000) The directors do not propose to pay a final dividend (2011 £Nil)

### **Business review and future developments**

The company continues to provide management services to the LLP and during the year received £10,362,217 (2011 £11,106,453) to cover its expenses in carrying on the business of the LLP The directors expect continued profitability during the forthcoming year

Atlantic Equities LLC (the "LLC"), a company incorporated in the United States of America and wholly owned subsidiary of the company, provided brokerage services to the LLP and received general management, administrative and research services from the LLP The net fee payable by the LLP to the LLC was £2,387,191 (2011 £313,032)

During the year, the company continued to operate a growth share ownership plan ("GSOP") so that employees may have the opportunity to partake in the future success of the business

### **Principal risks and uncertainties**

The group provides management and brokerage 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 of the company at 31 March 2012 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

### **Financial instruments**

The group is exposed to foreign exchange risk and credit risk as evidenced by its debtor balances, some of which are denominated in foreign currency Management considers the use of forward foreign exchange contracts to hedge foreign exchange risk and limits credit risk by regular monitoring of debtor balances taking action where necessary to ensure prompt payment The group has no material exposure to either liquidity risk or price risk

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

**Directors' responsibilities**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required to 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 then 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 adequate 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 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.

In so far as each of the directors is aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**

Grant Thornton UK LLP have indicated their willingness to continue in office as auditor. A resolution concerning their reappointment will be proposed at the annual general meeting.

The report of the directors was approved by the Board on 10 July 2012 and signed on its behalf by

Rupert Della-Porta  
Director



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

We have audited the financial statements of Atlantic Equities Service Company Limited for the year ended 31 March 2012 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2012 and of the group's 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Report of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 parent company 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



Julian Bartlett  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London, England

10 July 2012

---

**ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

---

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2012**

	Note	Group Year ended 31 March 2012 £	Group Year ended 31 March 2011 £
<b>Turnover</b>	1 & 2	15,175,811	10,930,380
Administrative expenses		<u>(14,858,216)</u>	<u>(10,572,597)</u>
<b>Operating profit</b>	4	317,595	357,783
Bank interest receivable		7,369	314
Bank interest payable		<u>(32,236)</u>	<u>(2,504)</u>
<b>Profit on ordinary activities before taxation</b>		292,728	355,593
Taxation	7	<u>(98,528)</u>	<u>(160,244)</u>
<b>Profit for the financial year after taxation</b>	18	<u>194,200</u>	<u>195,349</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 18 form part of these financial statements

---

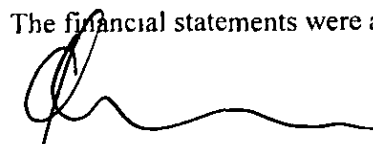


# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

## CONSOLIDATED AND COMPANY BALANCE SHEETS at 31 March 2012

	Note	Group 31 March 2012 £	Company 31 March 2012 £	Group 31 March 2011 £	Company 31 March 2011 £
<b>Fixed assets</b>					
Tangible assets	9	128,207	120,256	222,534	157,480
Intangible assets - goodwill	10	667,045	-	230,173	-
Investments	11	-	1,219,344	-	1,214,482
		795,252	1,339,600	452,707	1,371,962
<b>Current assets</b>					
Debtors	12	2,139,126	1,669,610	2,873,314	1,590,179
Cash at bank and in hand		928,521	141,183	1,027,849	731,393
		3,067,647	1,810,793	3,901,163	2,321,572
<b>Creditors: Amounts falling due within one year</b>	13	(2,616,145)	(1,971,920)	(3,128,548)	(2,575,333)
<b>Net current assets/(liabilities)</b>		451,502	(161,127)	772,615	(253,761)
<b>Total assets less current liabilities</b>		1,246,754	1,178,473	1,225,322	1,118,201
<b>Creditors: Amounts falling due after more than one year</b>	14	(903,299)	(903,299)	(1,058,743)	(1,058,743)
<b>Provisions for liabilities and charges</b>	15	(14,320)	(14,320)	(31,644)	(31,644)
<b>Net assets</b>		329,135	260,854	134,935	27,814
<b>Capital and reserves</b>					
Called up share capital	16	10,076	10,076	10,076	10,076
Profit and loss account	17	319,059	250,778	124,859	17,738
<b>Equity shareholder's funds</b>	18	329,135	260,854	134,935	27,814

The financial statements were approved by the Board on 10 July 2012 and signed on its behalf by



Christopher Middleton  
Director  
Atlantic Equities Service Company Limited  
Company No 04683428

The notes on pages 9 to 18 form part of these financial statements

---

**ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

---

**CONSOLIDATED CASH FLOW STATEMENT**  
**for the year ended 31 March 2012**

	<b>Note</b>	<b>Group Year ended 31 March 2012 £</b>	<b>Group Year ended 31 March 2011 £</b>
<b>Net cash (outflow)/inflow from operating activities</b>	19	(229,488)	790,749
<b>Returns on investment and servicing of finance</b>			
Interest received		7,369	314
Interest paid		(32,809)	(203)
		<u>(25,440)</u>	<u>111</u>
<b>Taxation paid</b>		(148,269)	(149,866)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(35,420)	(156,461)
<b>Acquisitions and Disposals</b>			
Purchase of investments		-	(1,246,261)
Refund of purchase consideration for investments		33,284	-
<b>Dividends paid</b>		-	(315,000)
<b>Financing</b>			
Call on bank loan facility		-	1,056,442
Repayment of bank loan facility		(159,100)	-
Repayment of loan by Atlantic Equities LLP		<u>430,071</u>	<u>689,359</u>
		270,971	1,745,801
<b>Net funds acquired on acquisition of subsidiary</b>		-	279,560
<b>(Decrease)/increase in cash</b>	20	<u>(134,362)</u>	<u>948,633</u>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Increase in cash in the year (as above)		(134,362)	948,633
Foreign exchange differences		<u>(2,668)</u>	<u>(2,568)</u>
Movement in net funds in the year		(137,030)	946,065
Net funds at 1 April 2011		<u>1,001,658</u>	<u>55,593</u>
Net funds at 31 March 2012	20	<u>864,628</u>	<u>1,001,658</u>

The notes on pages 9 to 18 form part of these financial statements

---

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2012**

**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 the Companies Act 2006, 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 2012. The accounts of the overseas subsidiary are translated into pounds sterling at the closing rate of exchange.

**Goodwill**

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the Directors' estimate of its useful economic life of 10 years. Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition and in other periods if events or changes in circumstance indicate that the carrying value may not be recoverable.

**Accounting for acquisition of subsidiaries**

On acquisition the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the net assets acquired is recognised as goodwill on consolidation. The results of the subsidiary acquired during the year are included in the consolidated profit and loss from the effective date of acquisition.

**Provisions**

Where the incident of a liability which has been incurred is uncertain, a provision is made of the estimated liability incurred at the balance sheet date.

**Turnover**

Turnover comprises a reimbursement of expenses incurred on behalf of Atlantic Equities LLP, a partnership of which the company is a corporate member, and is accounted for on an accrual basis (see note 2). Turnover also comprises broker commissions earned by Atlantic Equities LLC, the company's wholly owned subsidiary.

**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 2012. Exchange differences are taken to the profit and loss account.

**1. ACCOUNTING POLICIES (CONTINUED)**

**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
Leasehold improvements	-	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.

**Fixed Asset Investments**

These consist of investments in the company's two wholly owned subsidiaries, namely Atlantic Equities LLC and Atlantic Equities (US) Inc. Both investments are held at cost.

**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 attributable to service management fees received to cover expenses incurred in the operational support of Atlantic Equities LLP, and broker commissions earned by the LLC.

**3. SUBSIDIARY COMPANIES**

Atlantic Equities LLC (the "LLC"), a company incorporated in the United States of America is a wholly owned subsidiary of the company and is included in the consolidation. The principal activity of LLC is the provision of brokerage services. For the year ended 31 March 2012, the LLC made a profit after tax of equivalent £Nil (2011 for the period from the date the company acquired the LLC, 9 March, to 31 March, £Nil). The LLC had an accounting reference date of 31 December but this has now been changed to 31 March and the LLC will next prepare financial statements for the period 1 January 2012 to 31 March 2013.

The financial statements of the LLC have been consolidated on the basis of audited financial statements for the year ended 31 December 2011 less interim financial statements for the three month period 1 January to 31 March 2011 plus interim financial statements for the three month period 1 January to 31 March 2012.

Atlantic Equities (US) Inc ("AEUS"), a company incorporated in the United States of America, is a wholly owned subsidiary of the company and is included in the consolidation. The principal activity of AEUS is the provision of management services. For the year ended 31 March 2012, AEUS made a profit after tax of equivalent £35,099 (2011 £54,960).

**4. OPERATING PROFIT**

	<b>Group Year ended 31 March 2012 £</b>	<b>Group Year ended 31 March 2011 £</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 of the company	16,000	12,000
Fees payable to the company's auditor and its associates for other services		
– other services relating to taxation	4,700	9,780
– other services	30,000	25,000
Operating lease rentals – property	219,264	108,279
Depreciation	97,351	50,627
Amortisation of goodwill	74,116	-
Foreign exchange differences	2,668	2,568

**5. DIRECTORS' REMUNERATION**

	<b>Group Year ended 31 March 2012 £</b>	<b>Group Year ended 31 March 2011 £</b>
Emoluments	32,500	32,500
Gain on crystallisation of CFD contracts	1,261,438	1,109,582
	<u>1,293,938</u>	<u>1,142,082</u>

The highest paid director received remuneration of £990,251 (2011 £930,875)

**6. STAFF COSTS**

	<b>Group Year ended 31 March 2012 £</b>	<b>Group Year ended 31 March 2011 £</b>
Wages and salaries	4,447,896	3,209,590
Social security costs	267,931	273,906
	<u>4,715,827</u>	<u>3,483,496</u>
The average monthly number of employees and directors was as follows	<b>No.</b>	<b>No.</b>
Directors	2	2
Others	39	33
Office and management	<u>41</u>	<u>35</u>

---

**ATLANTIC EQUITIES SERVICE COMPANY LIMITED**

---

**7. TAXATION**

	<b>Group Year ended 31 March 2012 £</b>	<b>Group Year ended 31 March 2011 £</b>
UK Corporation tax at 26% (2011 28%)	<u>118,825</u>	<u>130,648</u>
Tax charge in respect of current year	118,825	130,648
Prior year adjustments	(2,973)	246
Deferred tax	<u>(17,324)</u>	<u>29,350</u>
	<u>98,528</u>	<u>160,244</u>

The current taxation charge for the year is different from the rate of corporation tax in the UK (26%) (2011 28%) The differences are explained below

	<b>Group Year ended 31 March 2012 £</b>	<b>Group Year ended 31 March 2011 £</b>
Profit on ordinary activities before taxation	<u>292,728</u>	<u>355,593</u>
Theoretical tax at UK corporation tax rate of 26% (2011 28%)	76,109	99,566
Effects of		
- Capital allowances less than/(in excess) of depreciation	5,740	(17,797)
- Other expenditure which is not tax deductible	7,918	56,363
- Marginal relief	(2,167)	(1,370)
- Overseas taxation	12,000	(6,686)
- Consolidation adjustment	<u>19,225</u>	<u>572</u>
Actual current tax charge	<u>118,825</u>	<u>130,648</u>

**8. DIVIDENDS**

	<b>Group Year ended 31 March 2012 £</b>	<b>Group Year ended 31 March 2011 £</b>
Dividends paid on ordinary shares	<u>-</u>	<u>315,000</u>

The directors do not propose to pay a final dividend (2011 £Nil)

# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

## 9. FIXED ASSETS

### Group

	Office Equipment £	Computer Equipment £	Leasehold Improvements £	Total £
Cost				
At 1 April 2011	907,943	236,262	389,696	1,533,901
Movement on translation	3,219	7	1,152	4,378
Additions	20,049	8,696	6,675	35,420
Disposals	(530,188)	-	(87,607)	(617,795)
At 31 March 2012	401,023	244,965	309,916	955,904
Depreciation				
At 1 April 2011	837,263	190,812	283,292	1,311,367
Depreciation				
Movement on translation	2,989	7	1,122	4,118
Charge for the year	47,844	21,892	27,615	97,351
Disposals	(497,531)	-	(87,608)	(585,139)
At 31 March 2012	390,565	212,711	224,421	827,697
Net book value				
At 31 March 2012	10,458	32,254	85,495	128,207
At 31 March 2011	70,680	45,450	106,404	222,534

### Company

	Office Equipment £	Computer Equipment £	Leasehold Improvements £	Total £
Cost				
At 1 April 2011	104,084	234,407	101,969	440,460
Additions	3,677	8,697	-	12,374
At 31 March 2012	107,761	243,104	101,969	452,834
Depreciation				
At 1 April 2011	90,690	188,957	3,333	282,980
Charge for the year	7,313	21,891	20,394	49,598
At 31 March 2012	98,003	210,848	23,727	332,578
Net book value				
At 31 March 2012	9,758	32,256	78,242	120,256
At 31 March 2011	13,394	45,450	98,636	157,480

**10. INTANGIBLE ASSETS - GOODWILL**

**Group**

	<b>Total £</b>
Cost	
At 1 April 2011	230,173
Movement on translation	921
Revaluation	510,067
At 31 March 2012	<u>741,161</u>
Amortisation	
At 1 April 2011	-
Charge for the year	74,116
At 31 March 2012	<u>74,116</u>
Net book value	
At 31 March 2012	<u>667,045</u>
At 31 March 2011	<u>230,173</u>

The revaluation in goodwill of £510,067 (2011 £Nil) results from the write off of a deferred tax asset against retained earnings by the company's wholly owned subsidiary, Atlantic Equities LLC ("the LLC"). The LLC determined during the year that the asset could never be recoverable out of suitable taxable profits from which the reversal of the timing differences could be deducted. The company estimates that this action did not result in an impairment in the value of the LLC.

**11. INVESTMENTS**

	<b>Group £</b>	<b>Company £</b>
At 1 April 2011	-	1,214,482
Movement on translation	-	4,862
At 31 March 2012	<u>-</u>	<u>1,219,344</u>

Investments relate to shares in group undertakings (note 3)



# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

## 12. DEBTORS

	Group 31 March 2012 £	Company 31 March 2012 £	Group 31 March 2011 £	Company 31 March 2011 £
Trade debtors	237,899	-	-	-
Other debtors	71,487	31,507	738,647	72,519
Prepayments and accrued Income	222,538	181,128	211,296	149,577
Amounts due from Atlantic Equities LLP	1,379,513	1,145,831	1,690,361	1,081,726
Amounts due from Atlantic Equities (US) Inc	-	70,523	-	54,632
Amounts due from Atlantic Equities LLC	-	14,222	-	-
Recoverable VAT	76,457	76,457	56,932	56,932
Amounts falling due within one year	1,987,894	1,519,668	2,697,236	1,415,386
Amounts falling due after more than one year	151,232	149,942	176,078	174,793
Rent deposit	2,139,126	1,669,610	2,873,314	1,590,179

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31 March 2012 £	Company 31 March 2012 £	Group 31 March 2011 £	Company 31 March 2011 £
Bank overdraft	63,893	63,893	26,191	26,191
Trade creditors	195,330	185,419	280,682	216,422
Other creditors	69,499	60,730	58,942	58,942
Corporation tax payable	90,276	90,276	116,709	116,709
Other taxes & social security	25,217	25,217	52,681	52,681
Accruals	2,052,708	1,546,385	2,593,343	2,104,388
Amounts due to Atlantic Equities LLP	119,222	-	-	-
	2,616,145	1,971,920	3,128,548	2,575,333

# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

## 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 31 March 2012 £	Company 31 March 2012 £	Group 31 March 2011 £	Company 31 March 2011 £
Loans	903,299	903,299	1,058,743	1,058,743

A loan of US \$1,695,378 was drawn down on 8 March 2011 and is repayable in twenty equal quarterly instalments commencing 8 September 2011. Interest is charged at 2.5% above LIBOR. As security the company has provided the lender with a mortgaged debenture over all its assets including a specific charge over book debts. The loan is also secured by a joint and several guarantee and a composite guarantee (note 22).

## 15. PROVISIONS FOR LIABILITIES AND CHARGES

	Group Year ended 31 March 2012 £	Company Year ended 31 March 2012 £	Group Year ended 31 March 2011 £	Company Year ended 31 March 2011 £
Deferred taxation provided				
Accelerated capital allowances	14,320	14,320	31,644	31,644
	14,320	14,320	31,644	31,644

The movement in accelerated capital allowances is as follows

At 1 April 2011	31,644	31,644	2,294	2,294
Movement	(17,324)	(17,324)	29,350	29,350
At 31 March 2012	14,320	14,320	31,644	31,644

The movement in other provision is as follows

At 1 April 2011	-	-	1,326,356	1,326,356
Movement	-	-	(1,326,356)	(1,326,356)
At 31 March 2012	-	-	-	-

Deferred tax has been provided at 24% (2011: 26%), 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.

The company has continued to operate the GSOP under which awards are linked to key performance indicators of Atlantic Equities LLP (the "LLP") of which the company is a corporate member. Any payment made to employees in settlement of the awards is reimbursed by a service management fee from the LLP. The value of the awards is subject to the uncertainties of the financial markets, including foreign exchange volatility, and the continuing employment of the company's employees.

# ATLANTIC EQUITIES SERVICE COMPANY LIMITED

## 16. CALLED UP SHARE CAPITAL

Group and Company	31 March 2012 £	31 March 2011 £
Allotted - 10,076 ordinary share of £1	<u>10,076</u>	<u>10,076</u>

## 17. RESERVES

	Group Profit and loss account £	Company Profit and loss account £
At 1 April 2011	124,859	17,738
Profit for the financial year after tax	<u>194,200</u>	<u>233,040</u>
At 31 March 2012	<u>319,059</u>	<u>250,778</u>

## 18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group Year ended 31 March 2012 £	Company Year ended 31 March 2012 £	Group Year ended 31 March 2011 £	Company Year ended 31 March 2011 £
Opening shareholders' funds	134,935	27,814	254,510	204,878
Profit for the financial year after tax	194,200	233,040	195,349	137,860
Issue of ordinary £1 shares	-	-	76	76
Dividends	-	-	(315,000)	(315,000)
Closing shareholders' funds	<u>329,135</u>	<u>260,854</u>	<u>134,935</u>	<u>27,814</u>

## 19. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group Year ended 31 March 2012 £	Group Year ended 31 March 2011 £
Operating profit	317,595	357,783
Depreciation	97,351	50,627
Amortisation of goodwill	74,116	-
Loss on disposal of fixed assets	32,818	-
(Increase)/decrease in debtors	(111,038)	1,234,560
Decrease in creditors	(642,998)	(854,789)
Foreign exchange differences	<u>2,668</u>	<u>2,568</u>
Net cash (outflow)/inflow from operating activities	<u>(229,488)</u>	<u>790,749</u>

## ATLANTIC EQUITIES SERVICE COMPANY LIMITED

### 20. ANALYSIS OF NET DEBT

Group	At 1 April 2011 £	Cash Inflow/ (Outflow) £	Non-cash movement £	At 31 March 2012 £
<b>Net cash</b>				
Cash at bank and in hand	1,027,849	(96,660)	(2,668)	928,521
Bank overdraft	(26,191)	(37,702)	-	(63,893)
<b>Net debt</b>	<u>1,001,658</u>	<u>(134,362)</u>	<u>(2,668)</u>	<u>864,628</u>

### 21. FINANCIAL COMMITMENTS – OPERATING LEASES

As at 31 March 2012 the company had annual commitments under operating leases as follows

	31 March 2012 £	31 March 2011 £
Land and buildings leases expiring		
Between 5 and 10 years	<u>253,000</u>	<u>150,414</u>
	<u>253,000</u>	<u>150,414</u>

### 22. RELATED PARTY TRANSACTIONS

AE Limited is the corporate member of Atlantic Equities LLP (the “LLP”) During the year the LLP paid AE Limited service management fees of £10,362,217 (2011 £11,106,453) to cover expenses incurred in the operational support of the LLP At 31 March 2012 the LLP owed AE Limited £1,145,831 (2011 £1,081,726)

Atlantic Equities LLC (the “LLC”) provides brokerage services to the LLP and receives general management, administrative and research services from the LLP During the year the LLP paid the LLC a net service fee of £2,387,191 (2011 £313,032) At 31 March 2011 the LLC owed the LLP £120,655 (2011 the LLP owed the LLC £313,032)

Atlantic Equities (US) Inc (“AEUS”) provides management services to the LLP During the year the LLP paid AEUS service management fees of £701,276 (2011 £841,963) to cover expenses incurred by AEUS in the provision of such services At 31 March 2012 the LLP owed the AEUS £233,682 (2011 £295,603)

The company’s obligations under the agreement in respect of the loan of £903,299 (2011 £1,058,743) (note 14) have been secured by a joint and several guarantee of Rupert Della-Porta and Christopher Middleton, limited to \$1,695,378 (*equivalent* £1,056,442), and a composite guarantee between the company and the LLP The company has paid no amount in respect of these guarantees

### 23. CONTROLLING PARTIES

The members of Atlantic Equities LLP are the joint controlling parties of the group and company There is no single controlling party of the group or company