

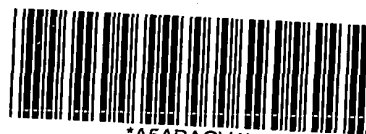
COMPANY NO: 04683428

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

◆ *Year ended 31 March 2016* ◆

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ATLANTIC EQUITIES SERVICE COMPANY LIMITED

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ATLANTIC EQUITIES SERVICE COMPANY LIMITED

STRATEGIC REPORT

Business overview

Atlantic Equities Service Company Limited ("the company") provides management services to its parent undertaking, Atlantic Equities LLP ("the LLP") in support of the LLP's business as an independent investment research broker.

The company is the corporate member and wholly owned subsidiary of the LLP.

The board of directors is responsible for the overall stewardship of the company.

The company's performance for the year and future outlook are contained in the Report of the Directors on page 4 which forms part of the Strategic Report.

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 described below:

- Loss of reputation – if the research product is of poor quality or lacks coverage, the LLP risks losing its reputation;
- Regulatory – as a regulated business in the UK, breach of regulatory rules may lead to sanctions by the Financial Conduct Authority, and new regulations may impose undue pressure on the company's infrastructure;
- Operational – failure of its operational systems or those of third party service providers may disrupt the company's ability to provide its services;
- Financial – inadequate controls or policies could lead to misappropriation of assets and failure to comply with accounting standards and related regulations;
- Foreign exchange risk – the company is exposed to foreign exchange risk as evidenced by its creditor balances, some of which are denominated in foreign currency;
- Credit – the company is exposed to the LLP and holds cash with Coutts & Co bank, a wholly owned subsidiary of the Royal Bank of Scotland; and
- Liquidity – cash is insufficient for the company to meet its obligations associated with financial liabilities.

The directors seek to mitigate and manage each of these risks, and limit the adverse effects on the financial performance of the company, by formally reviewing all risks and establishing appropriate procedures and controls. Where the company requires debt finance to ensure that there are available funds for operations, funding is obtained from the LLP. The financial and regulatory compliance functions are outsourced to a third party provider thus offering a degree of independence during the process of control.

Key performance indicators

The level of turnover that the company earns from the LLP is its key performance indicator. For the year ended 31 March 2016 the company had a turnover of approximately £6.4m (2015: £5.7m) representing a 13% increase, reflecting an increase in the demand for its services, despite difficult markets.

The Strategic Report was approved by the Board on 5 July 2016 and was signed on its behalf by:

Rupert Della-Porta
Director
5 July 2016



ATLANTIC EQUITIES SERVICE COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2016.

Results and dividends

The profit for the year after tax amounted to £139,101 (2015: £146,743).

The company continues to provide management services to the LLP and during the year received £6,445,860 (2015: £5,693,643) to cover its expenses in carrying on the business of the LLP.

During the year no interim dividend was paid (2015: £Nil). The directors do not propose to pay a final dividend (2015: £Nil).

Future developments

The company continues to expand operations in continental Europe. The directors expect continued profitability during the forthcoming year.

Principal risks and uncertainties

All principal risks are described in the Strategic Report on page 3.

Directors and their interests

The directors who held office during the year and up to the date of signing the financial statements were:

Rupert Della-Porta

Christopher Middleton

During the year, 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

The directors are responsible for preparing the Strategic Report, 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director 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 as directors in order 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 5 July 2016 and signed on its behalf by:



Rupert Della-Porta
Director

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

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 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. 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 including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland').

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 5, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

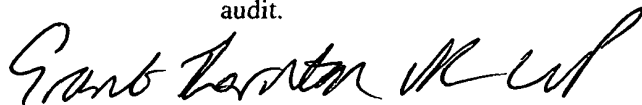
ATLANTIC EQUITIES SERVICE COMPANY LIMITED

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



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

5 July 2016

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

INCOME STATEMENT
for the year ended 31 March 2016

	Note	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Turnover	1 & 2	6,445,860	5,693,643
Administrative expenses		<u>(6,258,116)</u>	<u>(5,527,072)</u>
Operating profit	3	187,744	166,571
Gain on disposal of discontinued operations		-	420
Dividends receivable		-	23,318
Interest receivable and similar income		<u>516</u>	<u>242</u>
Profit on ordinary activities before taxation		188,260	190,551
Tax on profit on ordinary activities	6	<u>(49,159)</u>	<u>(43,808)</u>
Profit for the financial year		<u>139,101</u>	<u>146,743</u>

All of the above results of the company arose from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2016

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Profit for the financial year	<u>139,101</u>	<u>146,743</u>
Total comprehensive income for the year	<u>139,101</u>	<u>146,743</u>

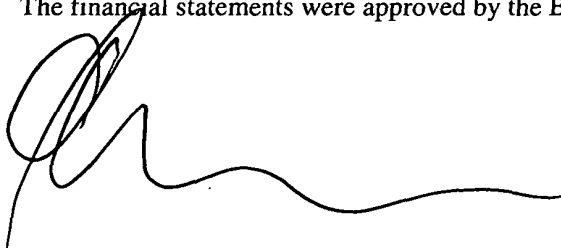
The notes on pages 12 to 23 form part of these financial statements.

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

BALANCE SHEET
at 31 March 2016

	Note	Company 31 March 2016 £	Company 31 March 2015 £
Fixed assets			
Tangible assets	7	<u>23,859</u>	<u>38,282</u>
		23,859	38,282
Current assets			
Debtors	8	984,536	1,054,852
Cash at bank and in hand		<u>528,827</u>	<u>221,922</u>
		1,513,363	1,276,774
Creditors: Amounts falling due			
within one year	9	<u>(1,007,402)</u>	<u>(924,337)</u>
Net current assets		505,961	352,437
Total assets less current liabilities		<u>529,820</u>	<u>390,719</u>
Net assets		<u>529,820</u>	<u>390,719</u>
Capital and reserves			
Called up share capital	12	640,000	640,000
Profit and loss account		<u>(110,180)</u>	<u>(249,281)</u>
Total shareholder's funds		<u>529,820</u>	<u>390,719</u>

The financial statements were approved by the Board on 5 July 2016 and signed on its behalf by:



Christopher Middleton
Director
Atlantic Equities Service Company Limited
Company No: 04683428

The notes on pages 12 to 23 form part of these financial statements.

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2016

	Called up share capital £	Profit and loss account £	Total £
Balance as at 1 April 2014	640,000	(396,024)	243,976
Profit for the year	-	146,743	146,743
Total comprehensive income for the year	-	146,743	146,743
Balance as at 31 March 2015	640,000	(249,281)	390,719
Profit for the year	-	139,101	139,101
Total comprehensive income for the year	-	139,101	139,101
Balance as at 31 March 2016	640,000	(110,180)	529,820

The notes on pages 12 to 23 form part of these financial statements.

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

CASH FLOW STATEMENT
for the year ended 31 March 2016

	Note	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Net cash from operating activities	13	251,199	291,855
Taxation paid		(48,664)	(67,785)
Net cash generated from operating activities		<u>202,535</u>	<u>224,070</u>
 Cash flow from investing activities			
Interest received		516	242
Dividends received		-	23,318
Purchase of tangible assets		(19,793)	(10,368)
Disposal of subsidiary		-	1,020
Net cash (used in)/generated from investing activities		<u>(19,277)</u>	<u>14,212</u>
 Cash flow from financing activities			
Repayment/(advance) of loan from/(to) Atlantic Equities LLP		130,566	(340,952)
Repayment of loan from Atlantic Equities (US) Inc		-	112,627
Net cash generated from/(used in) financing activities		<u>130,566</u>	<u>(228,325)</u>
 Net increase in cash and cash equivalents		313,824	9,957
Cash and cash equivalents at the beginning of the year		221,922	198,980
Exchange (losses)/gains on cash and cash equivalents		(6,919)	12,985
 Cash and cash equivalents at the end of the year		<u>528,827</u>	<u>221,922</u>

The notes on pages 12 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1. ACCOUNTING POLICIES

General information

The principal activity of the company is the provision of management services to Atlantic Equities LLP, a limited liability partnership incorporated in the United Kingdom.

The company is limited by shares and is incorporated in United Kingdom. The address of its registered office is 20-22 Bedford Row, London, WC1R 4JS.

Statement of compliance

The financial statements of the company have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The company has also early adopted the Amendments to FRS 102 (issued in July 2015).

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of accounting

The financial statements have been prepared in accordance with applicable UK accounting standards under the historical cost convention. This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 is 1 April 2014. Details of the transition to FRS 102 are disclosed in note 18.

b) Going concern

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks and they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Turnover

Turnover comprises a reimbursement of expenses incurred on behalf of Atlantic Equities LLP, a limited liability partnership of which the company is a corporate member, and is accounted for on the accruals basis (see note 2).

d) Administrative expenses

Expenses relate to cost incurred by the company in relation to the services it provides and are recognised on an accruals basis.

e) Foreign currencies

Functional and presentation currency:

The financial statements are presented in the currency of the primary economic environment in which the company operates. The company's functional and presentation currency is pound sterling.

1. ACCOUNTING POLICIES (CONTINUED)

e) Foreign currencies (continued)

Transactions and balances:

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within the operating profit.

f) Employee benefits

The company provides benefits to employees, including a defined contribution scheme and holiday pay.

Short term benefits:

Short-term employee benefits such as salaries and compensated absence are recognised as an expense in the year employees render services to the company. A liability is recognised at each balance sheet date to the extent that employee holiday allowance has been accrued but not taken, the expense being recognised as staff costs in the income statement.

Pension contributions:

Pension contributions to the company's workplace pension scheme for eligible employees are accounted for in the income statement on an accrual basis.

g) Taxation

Current tax, including UK corporation tax and foreign tax, is provided using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date on the excess of taxable income and allowable expenses.

h) Deferred taxation

Deferred tax is accounted for on an undiscounted basis at expected tax rates on all timing differences that have originated but not reversed at the balance sheet date where transactions and events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements other than differences regarded as permanent. A deferred tax asset is only recognised where it is more likely than not that the asset will be recoverable in the foreseeable future out of taxable profits from which the reversal of timing differences can be deducted.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, any deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

j) Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

1. ACCOUNTING POLICIES (CONTINUED)

j) Financial instruments (continued)

(i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

1. ACCOUNTING POLICIES (CONTINUED)

k) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Costs include those costs which are directly attributable to bringing the asset into working condition for its intended use.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, over their estimated useful lives. It is calculated on a straight-line basis over the following period:

Office equipment	-	3 years
Computer equipment	-	3 years
Leasehold improvements	-	5 years

l) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

m) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the period of the lease.

1. ACCOUNTING POLICIES (CONTINUED)

n) Critical judgements and estimates in applying the accounting policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The main critical judgement relates to the treatment of payments under the Growth Securities Ownership Plan as detailed in note 15.

o) Future amendments to FRS 102

Amendments to FRS 102 were issued in July 2015 as a result of changes to the EU-directives and UK Companies Regulations. The amendments are mandatory for periods beginning on or after 1 January 2016, with early adoption permitted for periods beginning on or after 1 January 2015. Entities have to adopt and comply with all amendments if they elect to early adopt the Amendments to FRS 102 (issued in July 2015). The amendments to FRS 102 (issued in July 2015) have been early adopted by the company in these financial statements. None of these amendments are expected to have a significant effect on the financial statements of the company.

2. TURNOVER

The turnover for the year is attributable to service management fees received to cover expenses incurred in the operational support of Atlantic Equities LLP ("the LLP") and therefore fully derived from the United Kingdom.

3. OPERATING PROFIT

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
The operating profit is stated after charging:		
Auditor's remuneration –		
Fees payable to the company's auditor for the audit of the annual financial statements of the company	11,800	11,200
Fees payable to the company's auditor and its associates for other services:		
– other services relating to taxation	12,450	9,820
– other services	14,893	-
Operating lease rentals – property	245,773	221,764
Depreciation	34,216	34,936
Foreign exchange differences	20,780	(23,589)

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

4. DIRECTORS' REMUNERATION

The directors received no remuneration during the year.

Key management includes the directors and members of senior management. No compensation was paid or is payable to key management for employee services during the year.

5. STAFF COSTS

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Wages and salaries	3,244,305	2,841,535
Social security costs	357,378	341,316
Pension costs	2,449	-
	<u>3,604,132</u>	<u>3,182,851</u>

The average monthly number of employees and directors was as follows:

Directors	2	2
Others	<u>20</u>	<u>17</u>
Office and management	<u>22</u>	<u>19</u>

6. TAXATION**a) Tax on profit on ordinary activities**

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Current tax:		
UK corporation tax on profits of the year	49,652	48,676
Adjustments in respect of previous years	(11)	-
Total current tax	<u>49,641</u>	<u>48,676</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(482)</u>	<u>(4,868)</u>
Total deferred tax (note 10)	<u>(482)</u>	<u>(4,868)</u>
Tax on profit on ordinary activities	<u>49,159</u>	<u>43,808</u>

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

6. TAXATION (CONTINUED)

The tax assessed on the profit on ordinary activities for the year is lower than the average rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

b) Reconciliation of tax charge	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Profit on ordinary activities before taxation	188,260	190,551
Profit on ordinary activities multiplied by standard rate of corporation tax of 20% (2015:21%)	37,652	40,016
Effects of:		
Depreciation in excess of capital allowances	1,682	3,619
Adjustments to tax charge in respect of prior years	(11)	-
Expenses not deductible for tax purposes	10,318	11,065
Non-taxable income	(282)	(5,187)
Adjustment to LLP profit allocation	282	291
Marginal relief	-	(1,098)
Origination and reversal of timing differences	(482)	(4,868)
Taxable gain in excess of accounting gain	-	(30)
Total tax charge for the year	49,159	43,808

c) Tax rate changes

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 20% (2015: 21%). Corporation tax rates were substantially enacted as part of the Finance Bill 2013 on 2 July 2013. These included reducing the main tax rate to 21% from 1 April 2014 and 20% from 1 April 2015.

7. FIXED ASSETS

	Office Equipment £	Computer Equipment £	Leasehold Improvements £	Total £
Cost:				
At 1 April 2015	110,357	286,027	101,969	498,353
Additions	1,763	18,030	-	19,793
At 31 March 2016	112,120	304,057	101,969	518,146
Depreciation:				
At 1 April 2015	108,931	266,231	84,909	460,071
Charge for the year	1,214	15,942	17,060	34,216
At 31 March 2016	110,145	282,173	101,969	494,287
Net book value:				
At 31 March 2016	1,975	21,884	-	23,859
At 31 March 2015	1,426	19,796	17,060	38,282

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

8. DEBTORS

	31 March 2016 £	31 March 2015 £
Other debtors	72,061	27,434
Prepayments and accrued Income	149,454	128,590
Amounts due from Atlantic Equities LLP ("the LLP")	554,713	685,279
Recoverable VAT	58,964	64,687
Deferred tax asset (note 10)	706	224
	<u>835,898</u>	<u>906,214</u>
Amounts falling due within one year		
Amounts falling due after more than one year:		
Rent deposit	<u>148,638</u>	<u>148,638</u>
	<u>984,536</u>	<u>1,054,852</u>

Amount owed by the LLP is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2016 £	31 March 2015 £
Trade creditors	80,301	45,406
Other creditors	-	46,000
Corporation tax payable	49,652	48,676
Other taxes & social security	55,833	64,193
Accruals	821,616	720,062
	<u>1,007,402</u>	<u>924,337</u>

10. DEFERRED TAX ASSET

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Deferred taxation	<u>706</u>	<u>224</u>
The movement in the asset is as follows:		
At the start of the year	224	(4,644)
Short term timing differences:		
- origination and reversal of timing differences	<u>482</u>	<u>4,868</u>
At the end of the year	<u>706</u>	<u>224</u>

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10. DEFERRED TAX ASSET/PROVISION FOR LIABILITIES (CONTINUED)

Deferred tax has been provided at 20% (2015: 20%) because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse.

11. FINANCIAL INSTRUMENTS BY CATEGORY

	31 March 2016 £	31 March 2015 £
Financial assets at fair value through profit and loss	-	-
Financial assets that are debt instruments measured at amortised cost		
Amounts owed by Atlantic Equities LLP (note 8)	554,713	685,279
Other debtors (note 8)	<u>220,699</u>	<u>176,072</u>
	<u>775,412</u>	<u>861,351</u>
Financial liabilities measured at amortised cost		
Trade creditors (note 9)	80,301	45,406
Other creditors (note 9)	<u>821,616</u>	<u>720,062</u>
	<u>901,917</u>	<u>765,468</u>
Financial liabilities at fair value through profit and loss	-	-

12. CALLED UP SHARE CAPITAL

	31 March 2016 £	31 March 2015 £
Allotted, called up, issued and fully paid		
640,000 ordinary shares of £1 (2015: 640,000)	<u>640,000</u>	<u>640,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

13. NOTES TO THE CASH FLOW STATEMENT

	Year ended 31 March 2016 £	Year ended 31 March 2016 £
Profit for the financial year	139,101	146,743
Adjustments for:		
Tax on profit on ordinary activities	49,159	43,808
Net interest receivable	(516)	(242)
Dividend income	-	(23,318)
Profit on disposal of operations	-	(420)
Operating profit	187,744	166,571
Depreciation of tangible assets	34,216	34,936
Foreign exchange differences	6,919	(12,985)
Working capital movements:		
Increase in debtors	(103,776)	(55,593)
Increase in payables	126,096	158,926
Cash inflow from operating activities	<u>251,199</u>	<u>291,855</u>

14. FINANCIAL COMMITMENTS – OPERATING LEASES

As at 31 March 2016 the company had future minimum lease payments under non-cancellable operating leases for land and buildings expiring as follows:

	31 March 2016 £	31 March 2015 £
Within one year	346,250	253,000
Between one and two years	259,687	253,000
Between two to five years	<u>941,990</u>	<u>941,299</u>
	<u>1,547,927</u>	<u>1,447,299</u>

15. CONTINGENT LIABILITY

The company historically operated an incentive arrangement that is currently subject to consideration by Her Majesty's Revenues and Customs ("HMRC"). Any payments made under the arrangement were reimbursed by a service management fee from the Atlantic Equities LLP ("the LLP") of which the company is corporate member.

The company is defending the tax status of the arrangement but if HMRC is successful in determining that employer's and employees' National Insurance contributions and PAYE are due, the current best estimate of the maximum exposure to the company is £11m. Under the contractual terms of the arrangement, however, the company has recourse to be reimbursed for a substantial portion of any potential exposure from the beneficiaries of the arrangement. The resulting net cost plus a margin of 3 per cent would be recoverable from the LLP. As at 31 March 2016 it is uncertain as to when this matter will be resolved.

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16. RELATED PARTY TRANSACTIONS

Atlantic Equities Service Company Limited ("AE Limited") is the corporate member of Atlantic Equities LLP (the "LLP"). During the year the LLP paid AE Limited service management fees of £6,445,860 (2015: £5,693,643) to cover expenses incurred in the operational support of the LLP. AE Limited received no profit allocation from the LLP (2015: £Nil). At 31 March 2016 the LLP owed the company £554,713 (2015: £685,279).

17. CONTROLLING PARTIES

The members of Atlantic Equities LLP are the ultimate controlling parties of the company. There is no single controlling party of the company.

18. TRANSITION TO FRS 102

This is the first year that the company has presented its results under FRS 102. FRS 102 has been adopted by the Company for year ended 31 March 2016. The last financial statements under the UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Set out below are the changes in accounting policies which reconcile the total comprehensive income for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided as below:

Reconciliation of profit for the year

	Year ended 31 March 2015 £
Profit for the year as previously reported under UK GAAP	146,743
Profit for the year as reported under FRS 102	<u>146,743</u>

Reconciliation of other comprehensive income for the year

	Year ended 31 March 2015 £
Other comprehensive income for year as previously reported under UK GAAP	-
Adjustments on transition	-
Other comprehensive income for the year as reported under FRS 102	<u>-</u>

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18. TRANSITION TO FRS 102 (CONTINUED)**Reconciliation of equity as at 31 March 2015**

**Year ended
31 March 2015
£**

Total equity as previously reported under UK GAAP 390,719

Total equity as reported under FRS 102 390,719

Other adjustments arising on transition to FRS 102

The following adjustments have arisen which have had no effect on net assets or statement of comprehensive income but which have affected the presentation of these items in the financial statements.

a) Cash flow statement

The company's cash flow statement reflects the presentation requirements of FRS 102, which are different to that prepared under FRS 1. In addition the cash flow statement reconciles to cash and cash equivalents whereas under previous UK GAAP the cash flow statement reconciled to cash. Cash and cash equivalents are defined in FRS 102 as 'cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value' whereas cash is defined in FRS 1 as 'cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand'. The FRS 1 definition is more restrictive.