COMPANY NO: 04683428

ATLANTIC EQUITIES SERVICE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

♦ Year ended 31 March 2021 ♦

CONTENTS

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 31 March 2021.

Results and dividends
The profit for the year after tax amounted to £181,676 (2020: £165,071). The company continues to provide management services to the LLP and during the year received £6,554,041 (2020: £7,016,318) to cover expenses in carrying on the business of the LLP.

As of June 2021, the Covid-19 pandemic continues to reverberate through financial markets. As a research broker specialising in US equities, the LLP has profited from the resultant increase in trading activity and has continued to require the services of the company in support of its business.

During the year no interim dividend (2020: £Nil) was paid to Atlantic Equities LLP. The directors do not propose to pay a final dividend (2020: £Nil).

Future developments
Although the future is inevitably clouded by the impact of the Covid-19 pandemic on the economy and financial markets, the directors remain cautiously optimistic and anticipate 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 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;
- Covid-19 – the LLP's business may be disrupted by the global macroeconomic impact of Covid-19;
- Brexit – the LLP may suffer indirectly from a deterioration in the UK's economy although its German subsidiary is expected to secure continued business within EU markets;
- 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.

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

REPORT OF THE DIRECTORS (CONTINUED)

Directors and their interests (continued)

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.

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 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

Berg Kaprow Lewis LLP were reappointed as auditor for the year ended 31 March 2021. A resolution concerning their reappointment will be proposed at the annual general meeting.

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

Rupert Della-Porta
Director
Date:
02/07/2021

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

Opinion

We have audited the financial statements of Atlantic Equities Service Company Ltd (the 'Company') for the year ended 31 March 2021, which comprise the Income Statement, the Statement of Comprehensive Income, Balance Sheet and the Statement of Changes in Equity, the Cashflow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC EQUITIES SERVICE COMPANY LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on pages 4 and 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC EQUITIES SERVICE COMPANY LIMITED (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 Auditors' 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.

David Landau

David Landau FCA (Senior Statutory Auditor)
for and on behalf of
Berg Kaprow Lewis LLP
Chartered Accountants
Statutory Auditor
London
Date: 02/07/2021

INCOME STATEMENT
for the year ended 31 March 2021

	Note	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Turnover	1c & 2	6,554,041	7,016,318
Administrative expense	1d	(6,363,148)	(6,805,007)
Other operating income		41,056	24,425
Operating profit	3	231,949	235,736
Bank interest receivable		83	1,959
Bank interest payable		-	(6,953)
Profit before taxation		232,032	230,742
Tax on profit	6	(50,356)	(65,671)
Profit for the financial year		181,676	165,071

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

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2021

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Profit for the financial year	181,676	165,076
Total comprehensive income for the year	181,676	165,076

The notes on pages 12 to 21 form part of these financial statements.

BALANCE SHEET
at 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Fixed assets			
Tangible assets	7	226,840	288,473
		226,840	288,473
Current assets			
Debtors	8	1,656,385	1,799,560
Cash at bank and in hand		559,514	313,107
		2,215,899	2,112,667
Creditors: Amounts falling due within one year	9	(1,303,690)	(1,397,007)
Net current assets		912,209	715,660
Total Assets less current liabilities		1,139,049	1,004,133
Creditors: Amounts falling due after more than one year	9	(95,945)	(135,645)
Provision for liabilities and charges	10	(26,352)	(33,412)
Net assets		1,016,752	835,076
Capital and reserves			
Called up share capital	11	640,000	640,000
Profit and loss account	15	376,752	195,076
Total shareholder's funds		1,016,752	835,076

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

Christopher Middleton
Director
Atlantic Equities Service Company Limited
Company No: 04683428
Date: 02/07/2021

The notes on pages 12 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2021

	Called up share capital £	Profit and loss account £	Total £
Balance as at 1 April 2019	640,000	30,005	670,005
Profit for the year	-	165,071	165,071
Total comprehensive income for the year	-	165,071	165,071
Dividends paid	-	-	-
Balance as at 31 March 2020	640,000	195,076	835,076
Profit for the year	-	181,676	181,676
Total comprehensive income for the year	-	181,676	181,676
Dividends paid	-	-	-
Balance as at 31 March 2021	640,000	376,752	1,016,752

The notes on pages 12 to 21 form part of these financial statements.

CASH FLOW STATEMENT
for the year ended 31 March 2021

	Note	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Net cash (used in)/generated from operating activities	12	297,031	1,073,338
Taxation paid		(32,824)	(505,648)
Net cash (used in)/generated from total operating activities		264,207	567,690
Cash flow from investing activities			
Interest received		83	1,959
Purchase of tangible assets		(16,108)	(318,131)
Net cash used in investing activities		(16,025)	(316,172)
Cash flow from financing activities			
Repayment of bank loan		-	(489,148)
Repayment/(advance) of loan from/(to) Atlantic Equities LLP		150,265	(295,748)
Advance of loan to Atlantic Equities Deutschland GmbH		(152,040)	(1,267)
Interest paid		-	(5,222)
Net cash generated from/(used in) financing activities		(1,775)	(791,385)
Net increase/(decrease) in cash and cash equivalents		246,407	(539,867)
Cash and cash equivalents at the beginning of the year		313,107	845,229
Exchange (loss)/gain on cash and cash equivalents		-	7,745
Cash and cash equivalents at the end of the year		559,514	313,107

The notes on pages 12 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. ACCOUNTING POLICIES

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

The company is limited by shares and is incorporated in the United Kingdom. The address of its registered office is Suite 1, 3rd Floor 11-12 St James's Square, London, SW1Y 4LB and its principal place of business is 6th floor, 25 Copthall Avenue, London EC2R 7BP.

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.

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 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.

b) Going concern
As outlined in the Report of the Directors, although the Covid-19 pandemic has resulted in an uncertain environment, the directors have a reasonable expectation, based on their assessment of the company's financial position and resources, and those of the LLP, that it will continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements, and will be able to meet its debts as they fall due. The directors therefore 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 ("the LLP"), a limited liability partnership of which the company is a corporate member, and is accounted for on the accruals basis (note 2).

d) Administrative expenses
Administrative expenses relate to costs incurred by the company in relation to the services it provides and are recognised on an accruals basis.

f) 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 Sterling.

1. ACCOUNTING POLICIES (CONTINUED)

f) 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.

g) 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.

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

h) 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.

i) 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.

j) Cash and cash equivalents

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

1. ACCOUNTING POLICIES (CONTINUED)

k) Financial instruments

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

(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)

l) 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

m) 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.

n) 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 on a straight-line basis over the period of the lease, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1. ACCOUNTING POLICIES (CONTINUED)

o) Critical judgements and estimates in applying the accounting policies

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.

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 is therefore fully derived from the United Kingdom.

3. OPERATING PROFIT

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
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	10,000	9,000
Fees payable to the company's auditor and its associates for other services in relation to taxation	1,300	1,250
Operating lease rentals – property	261,240	295,494
Depreciation	77,741	47,730
Foreign exchange differences	43,993	654

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 2021 £	Year ended 31 March 2020 £
Wages and salaries	3,192,085	3,530,958
Social security costs	336,231	341,795
Pension costs	60,694	77,232
	3,589,010	3,949,985

5. STAFF COSTS (CONTINUED)

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

Directors	2	2
Others	17	17
Office and management	19	19

6. TAXATION

a) **Tax on profit**	**Year ended 31 March 2021 £**	**Year ended 31 March 2020 £**
Current tax:		
UK corporation tax on profits of the year	57,415	32,823
Total current tax	57,415	32,823
Deferred tax:		
Origination and reversal of timing differences	(7,059)	32,848
Total deferred tax (note 10)	(7,059)	32,848
Tax on profit on ordinary activities	50,356	65,671

The tax assessed on the profit for the year is higher than the average rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

b) **Reconciliation of tax charge**	**Year ended 31 March 2021 £**	**Year ended 31 March 2020 £**
Profit before taxation	232,032	230,742
Profit multiplied by standard rate of corporation tax of 19% (2020: 19%)	44,086	43,841
Effects of:		
Fixed asset differences	4,227	2,090
Expenses not deductible for tax purposes	2,043	19,740
Total tax charge for the year	50,356	65,671

7. FIXED ASSETS

	Office Equipment £	Computer Equipment £	Leasehold Improvements £	Total £
Cost:				
At 1 April 2020	116,778	350,381	298,299	765,458
Additions	-	16,108	-	16,108
Disposals	(51,269)	(246,140)	-	(297,409)
At 31 March 2021	65,509	120,349	298,299	484,157
Depreciation:				
At 1 April 2020	113,338	328,846	34,801	476,985
Charge for the year	1,582	16,499	59,660	77,741
Disposals	(51,269)	(246,140)	-	(297,409)
At 31 March 2021	63,651	99,205	94,461	257,317
Net book value:				
At 31 March 2021	1,858	21,144	203,838	226,840
At 31 March 2020	3,440	21,535	263,498	288,473

8. DEBTORS

	31 March 2021 £	31 March 2020 £
Amounts falling due within one year:		
Other debtors	124,787	121,334
Prepayments and accrued income	159,346	118,843
Amounts due from group undertakings	1,278,584	1,276,809
Recoverable VAT	91,751	101,427
Rent deposit	-	148,638
	1,654,469	1,767,051
Amounts falling due after more than one year:		
Other debtors	1,916	32,509
	1,656,385	1,799,560

The amounts owed by the group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. CREDITORS

	31 March 2021 £	31 March 2020 £
Amounts falling due within one year:		
Trade creditors	144,121	128,823
Corporation tax payable	57,415	32,823
Other taxes & social security	91,338	95,026
Accruals and deferred income	971,120	1,100,639
Other creditors	39,695	39,696
	1,303,690	1,397,007
Amounts falling due after more than one year:		
Other creditors	95,945	135,645
	1,399,635	1,532,652

10. PROVISION FOR LIABILITIES AND CHARGES

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Deferred taxation liability	33,412	33,412

The movement in the provision is as follows:

At the start of the year	33,412	564
Short term timing differences:		
- origination and reversal of timing differences	(7,059)	32,848
At the end of the year	26,353	33,412

Deferred tax has been provided at 19% (2020: 19%) because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse.

11. CALLED UP SHARE CAPITAL

	31 March 2021 £	31 March 2020 £
Allotted, called up, issued and fully paid		
640,000 ordinary shares of £1 (2020: 640,000)	640,000	640,000

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

12. NOTES TO THE CASH FLOW STATEMENT

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Profit for the financial year	181,677	165,071
Adjustments for:		
Tax on profit	50,356	65,671
Interest received	(83)	4,994
Operating profit	231,950	235,736
Depreciation of tangible assets	77,741	47,730
Exchange loss/(gain) on cash and cash equivalents	-	(7,745)
Working capital movements:		
Decrease in debtors	144,948	439,263
(Decrease)/increase in payables	(157,608)	358,354
Cash (used in)/generated from operating activities	297,031	1,073,338

13. FINANCIAL COMMITMENTS – OPERATING LEASES

As at the end of the year the company had future minimum lease payments under non-cancellable operating leases for land and buildings expiring as follows:

	31 March 2021 £	31 March 2020 £
Within one year	285,000	285,000
Between one and two years	570,000	570,000
Between two to five years	342,781	627,781
	1,197,781	1,482,781

14. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £60,694 (2020: £77,232). Contributions totalling £nil (2020: £nil) were payable to the fund at the balance sheet date.

15. PROFIT AND LOSS ACCOUNT

Includes all current and prior period retained profits and losses less dividends paid out.

16. RELATED PARTY TRANSACTIONS

The company is the corporate member of Atlantic Equities LLP (the "LLP"). During the year the LLP paid the company service management fees of £6,554,041 (2020: £7,016,318) to cover expenses incurred in the operational support of the LLP. At 31 March 2021 the LLP owed the company £1,125,277 (2020: £1,275,542).

Atlantic Equities Deutschland GmbH ("AED") and the company are both wholly owned subsidiaries of Atlantic Equities LLP. During the year AED paid the company staff cost recharges of £133,305 (2020: £nil). At 31 March 2021 AED owed the company £153,307 (2020: £1,267).

At 31 March 2021 members of the LLP owed the company nothing in respect of loan agreements (2020: £6,448).

17. CONTROLLING PARTIES

The company's immediate and ultimate parent undertaking is Atlantic Equities LLP ("the LLP"), an entity incorporated in the United Kingdom. The registered office of the LLP is Suite 1, 3rd Floor, 11-12 St James's Square, London SW1Y 4LB and its principal place of business is 6th floor, 25 Copthall Avenue, London EC2R 7BP. The consolidated financial statements of the LLP are publicly available at Companies House.

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