

**Atlantic Umbrella Company  
Limited**

Report and Financial Statements

Year Ended

5 April 2015

Company Number 04445010

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# **Atlantic Umbrella Company Limited**

**Report and financial statements  
for the year ended 5 April 2015**

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## **Directors**

P L Benson  
T J Cumberland  
C M Howell  
A S Little

## **Registered office**

Unitum House, 1 The Chase, John Tate Road, Hertford, Hertfordshire, SG13 7NN

## **Company number**

04445010

## **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Atlantic Umbrella Company Limited

## Strategic report for the year ended 5 April 2015

The directors present their strategic report together with the audited financial statements for the year ended 5 April 2015.

### Review of the Business

The company's principal activity of its subsidiary undertakings continues to be the provision of consultancy services performed by an employed workforce, and all necessary functions to acquire, provide and manage that employed workforce.

### Results and performance

The results of the company for the year, as set out on page 7, show a profit on ordinary activities before taxation of £0.2m (2014: Profit £0.1m).

The performance of the group during 2015 has been disappointing albeit reflective of the distraction various corporate finance activities undertaken during the year had on the business. The economy has continued to grow throughout the year which wasn't reflected within our trading figures and focus has been re-aligned.

### Business environment

The UK intermediaries industries is highly competitive with many companies offering similar services giving rise to aggressive discounting and it is essential that we keep abreast of advances within this area to ensure we remain competitive whilst ensuring that our margins are protected.

### Strategy

The company's success is dependent on the proper selection and recruitment of flexible workers together with successful acquisition of work assignments from new and existing preferred supplier lists. We believe it is important to continue to invest time and energy in to consolidating our existing relationships whilst also seeking new opportunities to consolidate our position in the market place.

During the year we have reviewed our industry sectors and have refocused the alignment of our sales focus in the areas that will generate the greatest rewards.

The company will continue to consolidate its position and concentrate its efforts on achieving maximum growth in its existing market segments whilst exploring new markets. We aim to improve efficiency in all areas of our operations through disciplined overhead management and more effective account management. Customer service remains a top priority whilst remaining at the forefront of compliance.

### Key performance indicators ('KPIs')

We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the company by reference to the following KPIs:

	2015	2014	
Gross Margin	£1.3m	£1.5m	
Operating Profits before Management Charge	£2.1m	£2.7m	Operating Profits before taxation and distributions and management charges
Debtor Days	17 days	14 days	The number of days debt is outstanding each month

The above KPI's are not defined in UK Generally Accepted Accounting Practice (GAAP) and so are non-GAAP measures.

# Atlantic Umbrella Company Limited

## Strategic report for the year ended 5 April 2015 (*continued*)

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### Principal risks and uncertainties

The business has a wide and deep exposure to the UK economy, and specifically to the level of employment of interim and short term contract staff. During the period the general economy has improved. The company managed these risks through careful management of customer, product design and operating costs. The company expects this trend to continue and growth is again forecast for 2016.

In common with other businesses in the sector, the company is exposed to significant risk and uncertainty from changes in legislation, and specifically changes in the regulation of UK payroll and corporate taxation. The company has seen continued stabilisation of the general economic climate for employment activity since the balance sheet date and expects small improvements in these indicators in the 12 months after the reporting date.

### Future Developments

Although the growth of the UK economy strengthened in 2015, the risks to the UK economic growth remain significant and future prospects may be influenced by developments in the Eurozone. The economic environment will continue to evolve at a rapid pace over the next few years, making a return to the relative stability and certainty that preceded the crisis unlikely, at least in the short term. Interest rates are predicted to remain low in the short term whilst employment indicators are seeing improvement in all areas.

Overall in the coming year, we expect to continue to see strong growth within our market place and look to capitalise on these opportunities. We will continue to develop our relationships with our customers and our workforce, generating new business where possible and increasing retention levels while navigating the pressure on discounting from our competitors. The level of profitability in the coming year is expected to grow in line with our forecast plans

Our corporation tax charge benefitted from the reduction in rate of tax and future tax charges will benefit from the further reduction to 19% planned over the coming years.

### On behalf of the board

C M Howell  
Director



21 December 2015

# Atlantic Umbrella Company Limited

## Report of the directors for the year ended 5 April 2015

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The directors present their report together with the audited financial statements for the year ended 5 April 2015.

### Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

No dividends were declared or paid during the year ended 5 April 2015.

### Financial instruments

The company is not materially exposed to financial instruments or derivatives.

#### *Liquidity risk*

The company has systems to forecast and manage liquidity over the normal operating cycle of the business. The major liquidity events to which it is exposed are the payments of lump sums to UK HMRC on a quarterly or annual basis. The company seeks to maintain adequate cash on hand or in short term deposits with major UK banks at all times to satisfy its liquidity needs and has access to liquidity via its ultimate parent company through group funding arrangements.

#### *Interest rate risk*

The company is not materially exposed to interest rate risk.

#### *Foreign currency risk*

The company has an immaterial exposure to Euro exchange risks over the normal billing cycle. The company has systems to forecast and manage this exposure.

#### *Credit risk*

The company has effective credit control procedures and has no material losses or exposure to credit risk from customers or employees. The company benefits from the receipt of significant payments in advance of the matching expenditure, and is able to control its exposure to third party credit risk effectively.

### Research and development

Other than improvements to products, operations and underlying computer systems, the company does not engage in research and development.

### Employment of disabled persons

The company, along with all others in the Unitum group, give full and independent consideration to applications for employment within the requirements of each role. Where an employee becomes disabled, the group would, wherever practical, provide continuing employment under the terms and conditions available to all employees.

### Employee involvement

The company, along with all others in the Unitum group have multiple channels of engagement with employees at a group, company, department and individual level, including whole group meetings, notices, discussion groups and an independent human resources forum, and it actively encourages participation in decision making and strategy from all employees. The company has proactive Health and Safety and Environmental Policies which includes employees at all levels and in all areas of operations.

### Directors' indemnity

The directors' benefit from a qualifying indemnity provision in the form permitted by The Companies (Audit, Investigations and Community Enterprise) Act 2004 ("CAICE") new sections 309A, 309B and 309C I in respect of certain third party actions against directors. No claim or notice of claim in respect of these indemnities has been received in the period.

# Atlantic Umbrella Company Limited

## Report of the directors for the year ended 5 April 2015 (*continued*)

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### Directors

The directors of the company during the year were:

P L Benson  
T J Cumberland  
C M Howell  
A S Little

### Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report 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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the company and of the 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting 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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### On behalf of the board

C M Howell  
Director



21 December 2015

# **Atlantic Umbrella Company Limited**

## **Independent auditor's report**

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### **To the members of Atlantic Umbrella Company Limited**

We have audited the financial statements of Atlantic Umbrella Company Limited for the year ended 5 April 2015 which comprise the profit and loss account, the balance sheet 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).

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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 5 April 2015 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Atlantic Umbrella Company Limited

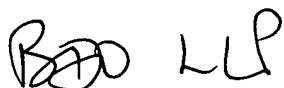
## Independent auditor's report (*continued*)

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### 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 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.

 BDO LLP

Gary Hanson (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

21 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Atlantic Umbrella Company Limited

## Profit and loss account for the year ended 5 April 2015

	Note	2015 £'000	2014 £'000
Turnover	2	25,761	28,122
Cost of sales		24,488	26,581
		<u>          </u>	<u>          </u>
Gross profit		1,273	1,541
Administrative expenses		1,108	1,406
		<u>          </u>	<u>          </u>
Operating profit	3	165	135
Other interest receivable and similar income	6	9	9
Interest payable and similar charges	7	(1)	-
		<u>          </u>	<u>          </u>
Profit on ordinary activities before taxation		173	144
Taxation on profit on ordinary activities	8	(55)	(31)
		<u>          </u>	<u>          </u>
Profit on ordinary activities after taxation		118	113
		<u>          </u>	<u>          </u>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current or prior year apart from the profit for the year.

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


# Atlantic Umbrella Company Limited

## Balance sheet at 5 April 2015

<i>Company number 04445010</i>	<b>Note</b>	<b>2015 £'000</b>	<b>2015 £'000</b>	<b>2014 £'000</b>	<b>2014 £'000</b>
<b>Fixed assets</b>					
Tangible assets	9		89		133
Fixed asset investments	10		500		500
			<u>589</u>		<u>633</u>
<b>Current assets</b>					
Debtors - due within one year	11	2,242		1,856	
Debtors - due after more than one year	11	292		292	
		<u>2,534</u>		<u>2,148</u>	
Total debtors					
Cash at bank and in hand		273		688	
		<u>2,807</u>		<u>2,836</u>	
<b>Creditors: amounts falling due within one year</b>	12	3,357		3,560	
		<u>3,357</u>		<u>3,560</u>	
<b>Net current liabilities</b>			(550)		(724)
<b>Total assets less current liabilities</b>			39		(91)
<b>Provisions for liabilities</b>	13		27		15
			<u>12</u>		<u>(106)</u>
<b>Capital and reserves</b>					
Profit and loss account	16		12		(106)
			<u>12</u>		<u>(106)</u>
<b>Shareholders' funds/(deficit)</b>					
			<u>12</u>		<u>(106)</u>

The financial statements were approved by the board of directors and authorised for issue on 21 December 2015

C M Howell  
Director



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

# Atlantic Umbrella Company Limited

## Notes forming part of the financial statements for the year ended 5 April 2015

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

#### *Going concern*

The financial statements have been prepared on a going concern basis. The company is a member of a group that shares financial resources between group companies, some of which are in a net liability position. The directors have seen asset statements and cash flow projections for the group and, on the basis of these statements and projections, have a reasonable expectation that the group will have adequate financial resources to enable the company to meet its liabilities as and when they fall due for the foreseeable future. The directors have therefore prepared the financial statements on a going concern basis.

#### *Consolidated financial statements*

The financial statements contain information about Atlantic Umbrella Company Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Unitum Limited and the company is included in consolidated financial statements.

#### *Turnover*

Turnover represents the amount invoiced in respect of services provided by the employed workforce, exclusive of VAT. Revenue is recognised when the service has been delivered.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Fixtures and fittings	- straight line over 2 years
Computer equipment	- straight line over 2 to 6 years

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

#### *Foreign currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account. Exchange gains and losses are recognised in the profit and loss account.

# Atlantic Umbrella Company Limited

## Notes forming part of the financial statements for the year ended 5 April 2015 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

#### *Leased assets*

Rentals under operating leases are charged on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

### 3 Operating profit

	2015 £'000	2014 £'000
This is arrived at after charging:		
Depreciation of tangible fixed assets	44	64
	<hr/>	<hr/>

Auditors' remuneration has been borne by a fellow group company.

# Atlantic Umbrella Company Limited

Notes forming part of the financial statements  
for the year ended 5 April 2015 (*continued*)

## 4 Employees

Staff costs (including directors) consist of:

	2015 £'000	2014 £'000
Wages and salaries	18,330	19,870
Social security costs	1,951	2,122
Other pension costs	353	200
	<u>20,634</u>	<u>22,192</u>

The average number of employees (including directors) during the year was as follows:

	2015 Number	2014 Number
Directors	4	4
Flexible workers	602	605
	<u>606</u>	<u>609</u>

Directors remuneration has been borne by a fellow group company. There are no directors accruing benefits under the money purchase pension scheme (2014: £Nil)

## 5 Directors' remuneration

No director received any emoluments during the current year (2014 - £Nil).

## 6 Other interest receivable and similar income

	2015 £'000	2014 £'000
Loans to group companies	<u>9</u>	<u>9</u>

## 7 Interest payable and similar charges

	2015 £'000	2014 £'000
Loans from group companies	<u>1</u>	<u>-</u>

# Atlantic Umbrella Company Limited

## Notes forming part of the financial statements for the year ended 5 April 2015 (*continued*)

### 8 Taxation on profit on ordinary activities

	2015 £'000	2014 £'000
<i>UK Corporation tax</i>		
Current tax on profits of the year	43	47
Adjustment in respect of previous periods	-	18
	<u>43</u>	<u>65</u>
Total current tax	43	65
<i>Deferred tax</i>		
Origination and reversal of timing differences	12	(8)
Adjustment in respect of previous periods	-	(23)
Effect of rate change	-	(3)
	<u>12</u>	<u>(34)</u>
Movement in deferred tax provision	12	(34)
	<u>55</u>	<u>31</u>
Taxation on profit on ordinary activities	55	31

The tax assessed for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	173	144
	<u>173</u>	<u>144</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014 - 23%)	36	33
Effect of:		
Expenses not deductible for tax	-	6
Depreciation for period in excess of capital allowances	7	12
Adjustment to tax charge in respect of previous periods	-	18
Short term timing differences	-	(3)
Marginal relief	-	(1)
	<u>43</u>	<u>65</u>
Current tax charge for the year	43	65

#### *Factors that may affect future tax charges*

A number of changes to the UK corporation tax system were announced in the Budget Statements on 10 July 2015 which will reduce the Company's future tax rate accordingly. This statement announced an additional one per cent reduction in 2017 to that previously announced, resulting in a main rate of 19% from 1 April 2017. A further 1% reduction to the main rate was also announced to reduce the rate to 18% by 1 April 2020.

# Atlantic Umbrella Company Limited

Notes forming part of the financial statements  
for the year ended 5 April 2015 (*continued*)

## 9 Tangible fixed assets

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
<i>Cost or valuation</i>			
At 6 April 2014 and 5 April 2015	8	367	375
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 6 April 2014	8	234	242
Provided for the year	-	44	44
	<hr/>	<hr/>	<hr/>
At 5 April 2015	8	278	286
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 5 April 2015	-	89	89
	<hr/>	<hr/>	<hr/>
At 5 April 2014	-	133	133
	<hr/>	<hr/>	<hr/>

## 10 Fixed asset investments

	Group undertakings £'000
<i>Cost or valuation</i>	
At 6 April 2014 and 5 April 2015	500
	<hr/>

On 31 March 2012, £500,000 of amounts due from a group undertaking, Atlantic Lifeguard Limited, was exchanged for 500 ordinary shares of a £1 each in that company. As a result the company holds 83% of the ordinary share capital of Atlantic Lifeguard Limited. These shares were issued during year ending 5 April 2014.

# Atlantic Umbrella Company Limited

Notes forming part of the financial statements  
for the year ended 5 April 2015 (*continued*)

## 11 Debtors

	2015 £'000	2014 £'000
Amounts receivable within one year		
Trade debtors	1,225	1,109
Amounts owed by group undertakings	198	-
Other debtors	-	10
Prepayments and accrued income	819	737
	<u>2,242</u>	<u>1,856</u>
Amounts receivable after more than one year		
Amounts owed by group undertakings	292	292
	<u>292</u>	<u>292</u>
Total debtors	<u>2,534</u>	<u>2,148</u>

Amounts due from group undertakings falling due after more than one year accrue interest of 3% per annum and are repayable on 30 March 2022.

## 12 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	-	147
Taxation and social security	1,572	1,778
Corporate taxation	47	102
Other creditors	2	2
Accruals and deferred income	1,736	1,531
	<u>3,357</u>	<u>3,560</u>



# Atlantic Umbrella Company Limited

Notes forming part of the financial statements  
for the year ended 5 April 2015 (*continued*)

## 13 Provisions for liabilities

	Deferred taxation £'000	
At 6 April 2014		15
Charged to profit and loss account		12
		<hr/>
At 5 April 2015		27
		<hr/>
<i>Deferred taxation</i>		
	2015 £'000	2014 £'000
Accelerated capital allowances	(3)	(3)
Short term timing differences	30	18
	<hr/>	<hr/>
	27	15
	<hr/>	<hr/>

## 14 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £352,540 (2014 - £200,143). Contributions amounting to £42,276 (2014 - £75,414) were payable to the fund and are included in creditors.

## 15 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	1	1
	<hr/>	<hr/>

# Atlantic Umbrella Company Limited

Notes forming part of the financial statements  
for the year ended 5 April 2015 (*continued*)

## 16 Reserves

	Profit and loss account £'000
At 6 April 2014	(106)
Profit for the year	118
	<hr/>
At 5 April 2015	12
	<hr/>

## 17 Related party disclosures

The company is a wholly owned subsidiary of Unitum Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Unitum Limited or other wholly owned subsidiaries within the group.

## 18 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Atlantic Operations Limited which is the immediate parent company incorporated in England and Wales. The company's ultimate parent undertaking and ultimate controlling company is Unitum Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is Unitum Limited. The consolidated accounts of this company are available to the public and may be obtained from Unitum House, 1 The Chase, John Tate Road, Hertford, Hertfordshire, SG13 7NN.

In the opinion of the directors there is no ultimate controlling party.

## 19 Guarantees

The company has given an unlimited multilateral guarantee to its bankers in respect of all amounts due to them from Unitum Limited, Atlantic Umbrella SPV Limited, Atlantic Operations Limited and Atlantic Lifeguard Limited. The amounts due are secured against all assets of the companies and the exposure at the year-end was £Nil.