

Atlantic Umbrella Company Limited

Registered number: 04445010

Annual Report

For the year ended 5 April 2017

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ATLANTIC UMBRELLA COMPANY LIMITED

COMPANY INFORMATION

Directors	A S Little C M Howell
Registered number	04445010
Registered office	Unitum House 1 The Chase John Tate Road Hertford Hertfordshire SG13 7NN
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

ATLANTIC UMBRELLA COMPANY LIMITED

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ATLANTIC UMBRELLA COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 5 APRIL 2017

Introduction

The directors present their strategic report on the group for the year ended 5 April 2017.

Business review

The principal activity of the company during the year was 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 8, show a loss on ordinary activities before taxation of £0.09m (2016: profit of £0.02m).

The performance of the group during 2016/17 has been disappointing but reflective of the changes to the industry's legislative outlook towards the end of the previous financial year. External perception impacted the whole industry causing significant drop in new business and therefore had an adverse effect on the business growth and this together with the uncertainty that legislation change brings resulted in a drop in revenues for the group.

Further legislative change planned for 6th April 2017 would have a positive impact on revenues and a decision was made to invest in to new products to ensure that the business capitalised on this change.

The group reacting to the drop in revenues looked to consolidate its existing subsidiaries, reduced our overhead and negotiated exits for 2 directors. The Board continues to review its investment criteria with a view to focusing on adapting its core contractor base and growing its existing subsidiaries during the forthcoming year before engaging on future acquisition activity once again.

Business environment

The UK intermediaries industry 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 as much as possible. The forthcoming changes within the marketplace will create an uneven market and the investment in to our models will enable Unitum and its subsidiaries to set itself apart from its competition.

Strategy

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

The group 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.

ATLANTIC UMBRELLA COMPANY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2017

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 been volatile. The group continued to manage these risks through careful management of customer, product design and operating costs. The group expects 2017 to be a year of growth capitalising on new opportunities, however we will be mindful of the uncertainty the Brexit referendum will continue to bring together with the time required to understand and accept the legislation changes affecting our marketplace.

In common with other businesses in the sector, the group is exposed to significant risk and uncertainty from changes in legislation, and specifically changes in the regulation of UK payroll and corporate taxation. The group has seen significant legislative challenges during the year and expects this to continue to be reflective of the general economic climate in the 12 months after the reporting date.

Financial key performance indicators

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

	2017	2016
Gross Margin	£0.5m	£1.1m
Debtor days	20 days	12 days

Going concern

The company is part of the Unitum Group. There is a significant level of inter-dependency between the companies within the group in terms of banking arrangements and financial support. The group made a loss after tax of £1.37m in the year and had net liabilities at year end of £0.99m.

The industry sector that the company operates in is subject to legislative change and the company needs to constantly innovate and remain proactive to change. Recent legislative changes in 2016 have arisen in relation to both salary sacrifice and travel expense claims, for contracts that are subject to the new "supervision, direction or control" regulations. During the year the group has reviewed its systems and processes, ensuring it continues to remain compliant with the latest legislation, but the new conditions led to a loss in contractor workers resulting in a 40% drop in turnover and margin generated in the remainder of 2016. In reaction to this, redundancies were made starting in June 2016 alongside various other cost cutting measures to reduce monthly overhead spend. The one off costs involved and the timescales required to implement have contributed significantly to the financial losses seen in the 2016/17 year. This also had a significant impact on cash flow, resulting in the group requiring extended time to pay some of its creditors.

ATLANTIC UMBRELLA COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2017

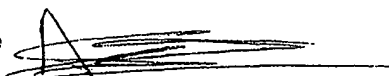
Going concern (continued)

The group has seen the impact of the above structural changes in a gradual increase in numbers of contractors, and monthly EBITDA since the year end. However, the group's cash flow forecasts indicate that in its current state, in order to pay its debts as they fall due, the company will need to demonstrate continued growth in revenue from workers over the next 12 months. The group's forecast show that the group should be able to operate within its current banking facilities. However, there are certain points in most months in the year ahead where there is virtually no forecast headroom. The company will open renewal discussions with its bankers in due course and has, at this stage, not sought any written commitment that the facility will be renewed. Should renewed banking facilities or the forecast growth not be forthcoming, the directors will be required to introduce further cost cutting measures. The working capital arrangements of the group are such that should there be a significant decrease in revenue from workers, the group may not be able to pay its debts as they fall due, given net current liability positions at both the balance sheet date and the date of approval of the financial statements. While the directors do not expect such a decrease, the market conditions coupled with the group's net current liabilities indicate the existence of a material uncertainty which may cast doubt on the group ability to continue as a going concern.

However, the directors are confident that the improvement in trading seen will continue and on the basis of cash flow forecasts and resources available at the date of approval of the financial statements, the directors consider it appropriate to prepare the financial statements on a going concern basis.

This report was approved by the board and signed on its behalf.

A S Little
Director



Date:

21/03/18

ATLANTIC UMBRELLA COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 5 APRIL 2017

The directors present their report and the financial statements for the year ended 5 April 2017.

Results and dividends

The profit for the year, after taxation, amounted to £41,000 (2016: £32,000).

No dividends were declared or paid for the year ended 5 April 2017 (2016: £nil).

Directors

The directors who served during the year and to the date of this report were:

A S Little
C M Howell
T J Cumberland (resigned 31 August 2016)
P L Benson (resigned 8 February 2017)

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 '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 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 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 to 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.

ATLANTIC UMBRELLA COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2017

Future developments

Although the growth of the UK economy stabilised in 2017, the risks to the UK economic growth remain significant and future prospects may be influenced by developments in the Eurozone and the BREXIT referendum. Interest rates are predicted to remain low in the short term whilst employment indicators are seeing improvement in all areas which is expected to impact contract labour.

Overall in the coming year, we expect to see a small decline within our market place with new opportunities arising as the legislation gains momentum and so we 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 be impacted by these external factors and we will continue to review our operating costs as appropriate throughout the coming year.

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 HMRC on a quarterly or annual basis. The company monitors cash in hand or in short term deposits with major UK banks at all times to satisfy liquidity needs.

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.

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 significant payments in advance of the matching expenditure, and is able to control exposure to third party credit risk effectively.

Employee involvement

The company, along with all others in the Unitum group, has 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 all employees at all levels and in all areas of operations.

Disabled employees

The company, along with all others in the Unitum group, gives 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.

ATLANTIC UMBRELLA COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2017**

Qualifying third party indemnity provisions

The directors benefit from a qualifying indemnity provision in the form permitted by The Companies Act (Audit, Investigations and Community Enterprise) 2004 ("CAICE") new sections 309A, 309B and 309C 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.

Matters covered in the strategic report

The company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's strategic report in formation required by Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 to 3. These matters relate to principal risks and uncertainties.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

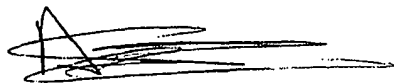
There have been no significant events affecting the company since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A S Little
Director



Date: 21/03/18

ATLANTIC UMBRELLA COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT 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 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 4, 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 Ethical Standards for Auditors. 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.

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 the 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 2017 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the group's ability to continue as a going concern. The group incurred a net loss of £1,366,000 during the year ended 5 April 2017 and, at that date, the group's total liabilities exceeded its total assets by £990,000 and it had net current liabilities of £3,732,000. Current banking facilities are also due for renewal within the next 12 months. The group's future profitability, and ability to repay its debts as they fall due, will depend on its ability to provide services which are suitable for the new market conditions imposed by recent legislative changes, growth in the numbers of workers and the renewal of banking facilities. These conditions, along with the other matters explained in note 2.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

ATLANTIC UMBRELLA COMPANY LIMITED

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

Opinion on the other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Strategic Report or the Directors' Report.

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.



Mike Bailey (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 21/3/18

ATLANTIC UMBRELLA COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 5 APRIL 2017**

	Note	2017 £000	2016 £000
Turnover	4	13,008	20,850
Cost of sales		(12,546)	(19,797)
Gross profit		<u>462</u>	<u>1,053</u>
Administrative expenses		(421)	(1,041)
Operating profit	5	<u>41</u>	<u>12</u>
Interest receivable and similar income	7	-	9
Interest payable and expenses	8	-	(1)
Profit before tax		<u>41</u>	<u>20</u>
Tax on profit	9	-	12
Profit for the financial year		<u>41</u>	<u>32</u>
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u>41</u>	<u>32</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 28 form part of these financial statements.


ATLANTIC UMBRELLA COMPANY LIMITED
REGISTERED NUMBER: 04445010

STATEMENT OF FINANCIAL POSITION
AS AT 5 APRIL 2017

	Note	2017 £000	2016 £000
Fixed assets			
Intangible assets	10	-	51
Tangible assets	11	-	-
Investments	12	500	500
		<u>500</u>	<u>551</u>
Current assets			
Debtors: amounts falling due after more than one year	13	-	300
Debtors: amounts falling due within one year	13	1,161	1,897
Cash at bank and in hand	14	95	126
		<u>1,256</u>	<u>2,323</u>
Creditors: amounts falling due within one year	15	(1,671)	(2,830)
Net current liabilities		<u>(415)</u>	<u>(507)</u>
Total assets less current liabilities		<u>85</u>	<u>44</u>
Net assets		<u>85</u>	<u>44</u>
Capital and reserves			
Called up share capital	17	-	-
Profit and loss account	18	85	44
Shareholders' (deficit)/funds		<u>85</u>	<u>44</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

A S Little
 Director



The notes on pages 12 to 28 form part of these financial statements.

ATLANTIC UMBRELLA COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2017**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 6 April 2015	-	12	12
Comprehensive Income for the year			
Profit for the year	-	32	32
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	32	32
Total transactions with owners	-	-	-
At 6 April 2016	-	44	44
Comprehensive Income for the year			
Profit for the year	-	41	41
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	41	41
Total transactions with owners	-	-	-
At 5 April 2017	-	85	85

The notes on pages 12 to 28 form part of these financial statements.

ATLANTIC UMBRELLA COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

1. General information

Atlantic Umbrella Company Limited ('the company') is a private company limited by shares, incorporated in England and Wales. The address of its registered office and principal place of business is Unitum House, 1 The Chase, John Tate Road, Hertford, Hertfordshire, SG13 7NN.

The principal activity of the company during the year was the provision of consultancy services performed by an employed workforce, and all necessary functions to acquire, provide and manage that employed workforce.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest thousand pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Unitum Ltd as at 5 April 2017 and these financial statements may be obtained from Unitum House, 1 The Chase, John Tate Road, Hertford, Hertfordshire, SG13 7NN.

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

2. Accounting policies (continued)**2.3 Going concern**

The company is part of the Unitum Group. There is a significant level of inter-dependency between the companies within the group in terms of banking arrangements and financial support. The group made a loss after tax of £1.37m in the year and had net liabilities at year end of £0.99m.

The industry sector that the company operates in is subject to legislative change and the company needs to constantly innovate and remain proactive to change. Recent legislative changes in 2016 have arisen in relation to both salary sacrifice and travel expense claims, for contracts that are subject to the new "supervision, direction or control" regulations. During the year the group has reviewed its systems and processes, ensuring it continues to remain compliant with the latest legislation, but the new conditions led to a loss in contractor workers resulting in a 40% drop in turnover and margin generated in the remainder of 2016. In reaction to this, redundancies were made starting in June 2016 alongside various other cost cutting measures to reduce monthly overhead spend. The one off costs involved and the timescales required to implement have contributed significantly to the financial losses seen in the 2016/17 year. This also had a significant impact on cash flow, resulting in the group requiring extended time to pay some of its creditors.

The group has seen the impact of the above structural changes in a gradual increase in numbers of contractors, and monthly EBITDA since the year end. However, the group's cash flow forecasts indicate that in its current state, in order to pay its debts as they fall due, the company will need to demonstrate continued growth in revenue from workers over the next 12 months. The group's forecast show that the group should be able to operate within its current banking facilities. However, there are certain points in most months in the year ahead where there is virtually no forecast headroom. The company will open renewal discussions with its bankers in due course and has, at this stage, not sought any written commitment that the facility will be renewed. Should renewed banking facilities or the forecast growth not be forthcoming, the directors will be required to introduce further cost cutting measures. The working capital arrangements of the group are such that should there be a significant decrease in revenue from workers, the group may not be able to pay its debts as they fall due, given net current liability positions at both the balance sheet date and the date of approval of the financial statements. While the directors do not expect such a decrease, the market conditions coupled with the group's net current liabilities indicate the existence of a material uncertainty which may cast doubt on the group ability to continue as a going concern.

However, the directors are confident that the improvement in trading seen will continue and on the basis of cash flow forecasts and resources available at the date of approval of the financial statements, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.4 Exemption from preparing 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.

ATLANTIC UMBRELLA COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	2 to 6 years
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2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

2. Accounting policies (continued)**2.7 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

2. Accounting policies (continued)**2.11 Financial Instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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 the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period 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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.14 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Pensions

Defined contribution pension plan

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.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.16 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

ATLANTIC UMBRELLA COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

3.1 Critical judgements in applying the company's accounting policies

The critical judgements that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

(ii) Recognition of deferred tax assets

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

(iii) Assessing the carrying value of investments

In assessing the carrying value of investments, directors will consider both internal and external sources of information to ensure the investment is held at an appropriate carrying value.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(iv) Recoverability of debtors

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debtors, past experience of recoverability, and the credit profile of individual or groups of customers.

ATLANTIC UMBRELLA COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

(v) Determining residual values and useful economic lives of property, plant and equipment

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	-	1
Amortisation of intangible assets	51	38
Exchange differences	(8)	-
Defined contribution pension cost	290	418

During the year, no director received any emoluments (2016: £nil).

Auditors' remuneration is borne by a fellow group company.

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

6. Employees

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	10,730	15,008
Social security costs	1,192	1,650
Cost of defined contribution scheme	290	418
	<u>12,212</u>	<u>17,076</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Directors	3	4
Contractor labour	270	417
	<u>273</u>	<u>421</u>

7. Interest receivable

	2017 £000	2016 £000
Interest on loans to group undertakings	-	9
	<u>-</u>	<u>9</u>

8. Interest payable and similar charges

	2017 £000	2016 £000
Interest on loans from group undertakings	-	1
	<u>-</u>	<u>1</u>

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

9. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on (loss)/profit for the year	-	8
Adjustments in respect of previous periods	-	7
	<u>-</u>	<u>15</u>
Total current tax	<u>-</u>	<u>15</u>
Deferred tax		
Adjustments in respect of prior periods	-	(27)
Total deferred tax	<u>-</u>	<u>(27)</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>(12)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.99% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	<u>41</u>	<u>20</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.99% (2016 - 20%)	8	4
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(3)	-
Adjustments to tax charge in respect of prior periods	-	(20)
Group relief surrendered/(claimed)	(14)	-
Deferred tax not recognised	8	4
Adjust closing/opening deferred tax to average rate of 19.99%	1	-
Total tax charge for the year	<u>-</u>	<u>(12)</u>

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

9. Taxation (continued)**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in July 2015 and took effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted in September 2016.

Deferred tax has been calculated at 17% being the rate at which timing differences are expected to unwind.

10. Intangible assets

	Software £000
Cost	
At 6 April 2016	251
At 5 April 2017	251
Amortisation	
At 6 April 2016	200
Charge for the year	51
At 5 April 2017	251
Net book value	
At 5 April 2017	-
At 5 April 2016	51

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

11. Tangible fixed assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
At 6 April 2016	8	116	124
Disposals	(8)	(116)	(124)
At 5 April 2017	-	-	-
At 6 April 2016	8	116	124
Disposals	(8)	(116)	(124)
At 5 April 2017	-	-	-
Net book value			
At 5 April 2017	-	-	-
At 5 April 2016	-	-	-

12. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 6 April 2016	500
At 5 April 2017	500
Net book value	
At 5 April 2017	500
At 5 April 2016	500

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Inline Outsourcing Limited (Previously Atlantic Lifeguard Ltd)	Ordinary	83 %	Consultancy services performed by an employed workforce

Name	Registered office
Inline Outsourcing Limited (Previously Atlantic Lifeguard Ltd)	Unitum House, 1 The Chase, John Tate Road, Hertford, SG13 7NN.

13. Debtors

	2017 £000	2016 £000
Due after more than one year		
Amounts owed by group undertakings	-	300
	-	300
	2017 £000	2016 £000
Due within one year		
Trade debtors	705	714
Amounts owed by group undertakings	134	389
Other debtors	2	1
Prepayments and accrued income	320	793
Deferred taxation (note 16)	-	-
	1,161	1,897

Amounts owed by group undertakings are due within one year and repayable on demand.

14. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	95	126
	95	126

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

15. Creditors: Amounts falling due within one year

	2017	2016
	£000	£000
Amounts owed to group undertakings	165	394
Corporation tax	-	16
Other taxation and social security	558	1,066
Other creditors	98	3
Accruals and deferred income	850	1,351
	<u>1,671</u>	<u>2,830</u>

Amounts owed to group undertakings are due within one year and repayable on demand.

Secured loans

Santander has security for all banking facilities (including BACS payments) by way of fixed and floating charge over the assets of the company, including cash deposits, and further by way of a continuing multilateral guarantee from other group companies (note 23).

ATLANTIC UMBRELLA COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

16. Deferred taxation

	2016 £000
At beginning of year	(27)
Charged to profit or loss	27
At end of year	<u><u>-</u></u>

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	-	2
Short-term timing differences	-	(2)
	<u><u>-</u></u>	<u><u>-</u></u>

17. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Allotted, called up and fully paid		
1 ordinary share of £1	<u><u>-</u></u>	<u><u>-</u></u>

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the company.

18. Reserves**Profit and loss account**

This reserve includes all current and prior retained profits and losses.

19. 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 £290,000 (2016: £418,000). Contributions totalling £23,000 (2016: £29,000) were payable to the fund at the reporting date and are included in creditors.

ATLANTIC UMBRELLA COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

20. Related party transactions

The company is a wholly owned subsidiary of Unitum Ltd and as such has taken advantage of the exemption permitted by Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group.

21. Post balance sheet events

There have been no significant events affecting the company since the year end.

22. Controlling party

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 controlling party is Unitum Ltd, a company registered in England and Wales. There is no single controlling party of Unitum Ltd.

The largest and smallest group in which the results of the company are consolidated is that headed by Unitum Ltd, incorporated in England and Wales. 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.

23. Guarantees

The company has given an unlimited multilateral guarantee to its bankers in respects of all amounts due to them from Unitum Ltd, Umbrella SPV Limited, Atlantic Operations Limited and Atlantic Umbrella Company Limited. The amounts due are secured against all assets of the companies and the exposure at the year end was £297,000 (2016: £233,000).