

Registered number: 03398241

ATC SERVICES (UK) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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ATC SERVICES (UK) LIMITED

COMPANY INFORMATION

DIRECTOR	T J Barton White
COMPANY SECRETARY	T J Barton White
REGISTERED NUMBER	03398241
REGISTERED OFFICE	c/o PKF Littlejohn Accounts Limited 1 Westferry Circus Canary Wharf London E14 4HD
INDEPENDENT AUDITOR	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD

ATC SERVICES (UK) LIMITED

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ATC SERVICES (UK) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Director presents his report and the Financial Statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The Company's principal activity during the year continued to be provision of management services to its parent undertaking.

DIRECTOR

The Director who served during the year was:

T J Barton White

DISCLOSURE OF INFORMATION TO AUDITOR

The Director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he 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.

INDEPENDENT AUDITOR

Under section 487(2) of the Companies Act 2006, PKF Littlejohn LLP will be deemed to have been reappointed as auditor 28 days after these Financial Statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

SMALL COMPANIES PROVISION

In preparing this report, the Director has taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 5 May 2017 and signed on its behalf.



T J Barton White
Director

ATC SERVICES (UK) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The Director is responsible for preparing the Director's Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Director to prepare Financial Statements for each financial year. Under that law the Director has 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 Director must not approve the Financial Statements unless he is satisfied that he gives 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 Director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments 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 Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

ATC SERVICES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF ATC SERVICES (UK) LIMITED

We have audited the Financial Statements of ATC Services (UK) Limited for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006

and the 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'.

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 AUDITOR

As explained more fully in the Director's Responsibilities Statement on page 2, the Director is 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Director; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or loss 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.

ATC SERVICES (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF ATC SERVICES (UK) LIMITED (CONTINUED)

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 2.2 to the Financial Statements concerning the Company's ability to continue as a going concern.

The Company incurred a net profit of £26,830 during the year ended 31 December 2016 and, at that date, the Company's net assets amounted to £162,564, which comprise largely of amounts due from parent undertakings. These conditions, along with the other matters explained in Note 2.2 to the Financial Statements, indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The Financial Statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Director's Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.


Paul Goldwin (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditor

1 Westferry Circus
Canary Wharf
London
E14 4HD

Date: 10th May 2017

ATC SERVICES (UK) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Turnover	700,774	682,555
Administrative expenses	(667,404)	(650,053)
OPERATING PROFIT	33,370	32,502
Tax on profit	(6,540)	(6,956)
PROFIT FOR THE YEAR	26,830	25,546

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 7 to 12 form part of these Financial Statements.

ATC SERVICES (UK) LIMITED
REGISTERED NUMBER: 03398241

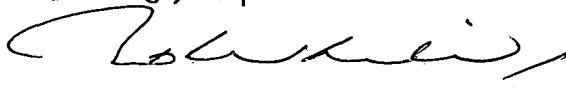
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	6	1,770	843
		<u>1,770</u>	<u>843</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	7	8,250	8,250
Debtors: amounts falling due within one year	7	100,969	84,378
Cash at bank and in hand		61,404	69,133
		<u>170,623</u>	<u>161,761</u>
Creditors: amounts falling due within one year	8	(9,829)	(26,870)
NET CURRENT ASSETS		<u>160,794</u>	<u>134,891</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>162,564</u>	<u>135,734</u>
NET ASSETS		<u><u>162,564</u></u>	<u><u>135,734</u></u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		162,464	135,634
SHAREHOLDERS' FUNDS		<u><u>162,564</u></u>	<u><u>135,734</u></u>

The Financial Statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The Financial Statements were approved and authorised for issue by the board and were signed on its behalf on

5 May 2017



T J Barton White
Director

The notes on pages 7 to 12 form part of these Financial Statements.

ATC SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

The Company's principal activity is outlined in the Director's Report. The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is 1 Westferry Circus, Canary Wharf, London, E14 4HD.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The Company transitioned to Section 1A of FRS 102 on 1 January 2015.

The following principal accounting policies have been applied:

2.2 Going concern

The Company is entirely dependent on its parent, Associated Tobacco Company Limited, for its income. The Company's Statement of Financial Position as at 2015 and 2016 shows that the Company was clearly solvent with the ability to pay all its debts as they fell due.

During 2016, however, the parent has experienced difficult trading conditions showing a draft group loss of \$5.8m for the year. The parent company has access to banking facilities however to aid its working capital and financing requirements.

The Director can confirm that the Company currently has sufficient resources to meet its debts as they fall due and he therefore considers that the Company is a going concern and has prepared the Financial Statements on that basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue 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.

ATC SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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.

Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

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:

Office equipment	- 20% - 33.33%
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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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 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. There are no cash equivalents.

2.8 Creditors

Short term creditors are measured at the transaction price.

ATC SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is UK Pound Sterling.

Transactions and balance

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.

2.10 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.

ATC SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Taxation

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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

3. AUDITOR'S REMUNERATION

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £2,760 (2015 - £590).

4. EMPLOYEES

The average monthly number of employees, including directors, during the year was 6 (2015 - 6)

5. DIRECTOR'S REMUNERATION

	2016 £	2015 £
Director's emoluments	159,754	158,370
	<u>159,754</u>	<u>158,370</u>

ATC SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2016	12,494
Additions	1,192
	<hr/>
At 31 December 2016	13,686
DEPRECIATION	
At 1 January 2016	11,651
Charge for the year	265
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At 31 December 2016	11,916
NET BOOK VALUE	
	<hr/>
At 31 December 2016	1,770
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At 31 December 2015	843
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7. DEBTORS

	2016 £	2015 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	8,250	8,250
	<hr/>	<hr/>
	8,250	8,250
	<hr/>	<hr/>
DUE WITHIN ONE YEAR		
Amounts owed by parent company	96,665	68,389
Other debtors	1,831	5,597
Prepayments and accrued income	2,473	10,392
	<hr/>	<hr/>
	100,969	84,378
	<hr/>	<hr/>

ATC SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Corporation tax	6,540	6,956
Taxation and social security	121	16,823
Accruals and deferred income	3,168	3,091
	<u>9,829</u>	<u>26,870</u>

9. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	34,000	34,000
Later than 1 year and not later than 5 years	14,167	48,167
TOTAL	<u>48,167</u>	<u>82,167</u>

10. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under section 33 of FRS 102 regarding the disclosure of transactions entered between two or more members of a group for wholly owned members of that group.

11. CONTROLLING PARTY

The immediate and ultimate parent undertaking is Associated Tobacco Company Limited, a company registered in the British Virgin Islands. No one individual has a controlling interest in Associated Tobacco Company Limited.