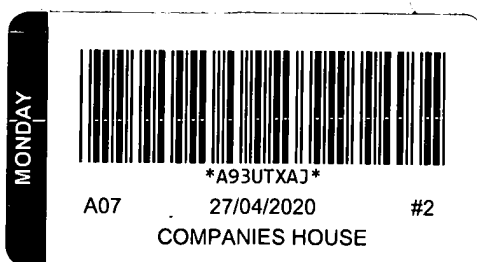


Registered number: 03398241

ATC SERVICES (UK) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



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
15 Westferry Circus
Canary Wharf
London
E14 4HD

INDEPENDENT AUDITOR

PKF Littlejohn LLP
Statutory Auditor
15 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 2019**

The Director presents his report and the Financial Statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The Company's principal activity during the year continued to be the 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


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

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

and signed on its behalf.

 16-04-2020

T J Barton White
Director

ATC SERVICES (UK) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 to 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 OF ATC SERVICES (UK) LIMITED

OPINION

We have audited the Financial Statements of ATC Services (UK) Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.2 in the Financial Statements, which indicates that the Company is entirely dependent on its parent company, Associated Tobacco Company Limited, for its income. The Company made a profit of £25,400 during the year ended 31 December 2019 and, at that date, the Company's net assets amounted to £65,775. As stated in note 2.2, these conditions, along with the other matters as set out in note 2.2 including the potential negative impact that the COVID-19 outbreak could have on the Company's future business activities, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a Going Concern. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The Director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's Report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

ATC SERVICES (UK) LIMITED

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 prepare the Financial Statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF DIRECTORS

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, and for such internal control as the Director determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

ATC SERVICES (UK) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATC SERVICES (UK) LIMITED
(CONTINUED)**

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.



Paul Goldwin (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD
Date: 17 April 2020

ATC SERVICES (UK) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Turnover	657,504	688,600
GROSS PROFIT	657,504	688,600
Administrative expenses	(626,194)	(655,798)
OPERATING PROFIT	31,310	32,802
Tax on profit	(5,910)	(6,222)
PROFIT FOR THE FINANCIAL YEAR	25,400	26,580

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 8 to 13 form part of these Financial Statements.


ATC SERVICES (UK) LIMITED
REGISTERED NUMBER: 03398241

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	6	617	1,233
		<u>617</u>	<u>1,233</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	20,300	5,021
Cash at bank and in hand		49,171	66,366
		<u>77,721</u>	<u>79,637</u>
Creditors: amounts falling due within one year	8	(12,563)	(40,495)
		<u>65,158</u>	<u>39,142</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>65,775</u>	<u>40,375</u>
NET ASSETS		<u>65,775</u>	<u>40,375</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account		65,675	40,275
		<u>65,775</u>	<u>40,375</u>

The Financial Statements have been prepared 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

 16-04-2020

T J Barton White
 Director

The notes on pages 8 to 13 form part of these Financial Statements.

ATC SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 15 Westferry Circus, Canary Wharf, London, E14 4HD. The principal place of business is Broadgate, 47 Market Place, Henley-on-Thames, Oxfordshire, RG9 2AD.

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 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 2019 and 2018 shows that the Company was clearly solvent with the ability to pay all its debts as they fell due.

The draft group profit for the year ended 31 December 2019 is \$880,496, and as at 31 December 2019 the group has draft negative Profit and Loss Reserves of \$15,003,194. The parent company has access to banking facilities however to aid its working capital and financing requirements.

After making enquiries and including an assessment of the potential impact of the COVID-19 outbreak on the Company's business, 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 2019

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 2019

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 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.

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 2019

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 £4,000 (2018: £2,500).

4. EMPLOYEES

The average monthly number of employees, including directors, during the year was 5 (2018 - 6)

5. DIRECTOR'S REMUNERATION

	2019 £	2018 £
Director's emoluments	176,513	177,159
	<u>176,513</u>	<u>177,159</u>

ATC SERVICES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2019	3,961
At 31 December 2019	<u>3,961</u>
DEPRECIATION	
At 1 January 2019	2,728
Charge for the year on owned assets	616
At 31 December 2019	<u>3,344</u>
NET BOOK VALUE	
At 31 December 2019	<u>617</u>
At 31 December 2018	<u>1,233</u>

7. DEBTORS

	2019 £	2018 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	8,250	8,250
	<u>8,250</u>	<u>8,250</u>
DUE WITHIN ONE YEAR		
Amounts owed by parent undertakings	15,370	-
Other debtors	1,800	1,961
Prepayments and accrued income	3,130	3,060
	<u>20,300</u>	<u>5,021</u>

ATC SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to parent undertakings	-	30,147
Corporation tax	5,922	6,210
Other taxation and social security	544	326
Accruals and deferred income	6,097	3,812
	<u>12,563</u>	<u>40,495</u>

9. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	15,833	38,000
Later than 1 year and not later than 5 years	-	129,833
	<u>15,833</u>	<u>167,833</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.