

## **The Atlantic Monthly UK Limited**

Directors' Report and Financial Statements

Year Ended

31 December 2018

Company Number 10938718

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# **The Atlantic Monthly UK Limited**

## **Company Information**

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|                            |   |
|----------------------------|---|
| <b>Directors</b>           | D G Bradley<br>R Cohn   |
| <b>Registered number</b>   | 10938718  |
| <b>Registered office</b>   | 100 New Bridge Street<br>London<br>United Kingdom<br>EC4V 6JA |
| <b>Independent auditor</b> | BDO LLP<br>55 Baker Street<br>London<br>W1U 7EU               |

# The Atlantic Monthly UK Limited

## Directors' Report For the Year Ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

The comparatives cover the 4 month period from incorporation to 31 December 2017.

### Principal activity

The principal activity of the company is to provide sales representation for its parent company, The Atlantic Monthly Group LLC.

### Directors

The directors who served during the year were:

D G Bradley  
R Cohn

### Disclosure 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.

### Auditor

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

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

This report was approved by the board on *September 27, 2019* and signed on its behalf.



D G Bradley  
Director

# **The Atlantic Monthly UK Limited**

## **Contents**

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|  | <b>Page</b>   |
|--|---------------|
| <b>Directors' Report</b>                     | <b>1</b>      |
| <b>Directors' Responsibilities Statement</b> | <b>2</b>      |
| <b>Independent Auditor's Report</b>          | <b>3 - 5</b>  |
| <b>Statement of Comprehensive Income</b>     | <b>6</b>      |
| <b>Statement of Financial Position</b>       | <b>7</b>      |
| <b>Statement of Changes in Equity</b>        | <b>8</b>      |
| <b>Notes to the Financial Statements</b>     | <b>9 - 14</b> |

# **The Atlantic Monthly UK Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2018**

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The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **The Atlantic Monthly UK Limited**

## **Independent Auditor's Report to the Members of The Atlantic Monthly UK Limited**

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### **Opinion**

We have audited the financial statements of The Atlantic Monthly UK Limited ("the company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, 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 2018 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **The Atlantic Monthly UK Limited**

## **Independent Auditor's Report to the Members of The Atlantic Monthly UK Limited (continued)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were 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 directors' report and from the requirement to prepare a strategic report.

# **The Atlantic Monthly UK Limited**

## **Independent Auditor's Report to the Members of The Atlantic Monthly UK Limited (continued)**

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### **Responsibilities of directors**

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

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

### **Auditor's 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **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.

**BDO LLP**

**Nicole Martin** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

**27/09/2019**

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



## The Atlantic Monthly UK Limited

### Statement of Comprehensive Income For the Year Ended 31 December 2018

|   |      | Year ended<br>31 December<br>2018<br>£ | Period ended<br>31 December<br>2017<br>£ |
|---|------|--|--|
|   | Note |  |  |
| Turnover  |      | 376,847                                | 53,426                                   |
| Administrative expenses                               |      | (342,619)                              | (48,695)                                 |
| <b>Operating profit</b>                               | 4    | <b>34,228</b>                          | 4,731                                    |
| Tax on profit   | 6    | (7,217)                                | (899)                                    |
| <b>Profit for the financial year/period</b>           |      | <b>27,011</b>                          | 3,832                                    |
| Other comprehensive income                            |      | -                                      | -  |
| <b>Total comprehensive income for the year/period</b> |      | <b>27,011</b>                          | 3,832                                    |

The notes on pages 9 to 14 form part of these financial statements.

**The Atlantic Monthly UK Limited**  
Registered number: 10938718

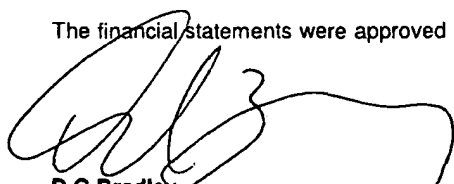
**Statement of Financial Position**  
**As at 31 December 2018**

|  | Note | 2018<br>£      | 2018<br>£            | 2017<br>£     | 2017<br>£           |
|--|------|----------------|----------------------|---------------|---------------------|
| <b>Current assets</b>                          |      |                |                      |               |                     |
| Debtors: amounts falling due within one year   | 7    | 101,411        |                      | 40,390        |                     |
| Cash at bank and in hand                       |      | 7,843          |                      | 6,172         |                     |
|  |      | <u>109,254</u> |                      | <u>46,562</u> |                     |
| Creditors: amounts falling due within one year | 8    | (78,410)       |                      | (42,729)      |                     |
| <b>Net assets</b>                              |      |                | <u><u>30,844</u></u> |               | <u><u>3,833</u></u> |
| <b>Capital and reserves</b>                    |      |                |                      |               |                     |
| Called up share capital                        | 9    |                | 1                    |               | 1                   |
| Profit and loss account                        | 10   |                | 30,843               |               | 3,832               |
| <b>Total equity</b>                            |      |                | <u><u>30,844</u></u> |               | <u><u>3,833</u></u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

*September 27, 2019*

  
**D G Bradley**  
Director

The notes on pages 9 to 14 form part of these financial statements.

## The Atlantic Monthly UK Limited

### Statement of Changes in Equity For the Year Ended 31 December 2018

|  | Called up<br>share capital | Profit and<br>loss account | Total equity  |
|--|----------------------------|----------------------------|---------------|
|  | £                          | £                          | £             |
| At 1 January 2018                              | 1                          | 3,832                      | 3,833         |
| <b>Comprehensive income for the year</b>       |                            |                            |               |
| Profit for the year                            | -                          | 27,011                     | 27,011        |
| <b>Total comprehensive income for the year</b> | -                          | 27,011                     | 27,011        |
| <b>At 31 December 2018</b>                     | <b>1</b>                   | <b>30,843</b>              | <b>30,844</b> |

### Statement of Changes in Equity For the Period Ended 31 December 2017

|  | Called up<br>share capital | Profit and<br>loss account | Total equity |
|--|----------------------------|----------------------------|--------------|
|  | £                          | £                          | £            |
| At 30 August 2017                                | -                          | -                          | -            |
| <b>Comprehensive income for the period</b>       |                            |                            |              |
| Profit for the period                            | -                          | 3,832                      | 3,832        |
| <b>Total comprehensive income for the period</b> | -                          | 3,832                      | 3,832        |
| Shares issued during the period                  | 1                          | -                          | 1            |
| <b>Total transactions with owners</b>            | <b>1</b>                   | <b>-</b>                   | <b>1</b>     |
| <b>At 31 December 2017</b>                       | <b>1</b>                   | <b>3,832</b>               | <b>3,833</b> |

The notes on pages 9 to 14 form part of these financial statements.

# **The Atlantic Monthly UK Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2018**

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### **1. General information**

The Atlantic Monthly UK Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

### **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 preparation of financial statements in compliance with Section 1A of 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 presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

#### **2.2 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:

Turnover is generated from related parties and is based on a contractual agreement that sees The Atlantic Monthly UK Limited generate revenue based on the costs they have recognised, plus an appropriate mark-up percentage. This balance is then recognised as revenue and debited to the intercompany accounts. Costs for the company are accounted for on the accruals basis.

#### **2.3 Foreign currency translation**

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

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

# **The Atlantic Monthly UK Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2018**

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### **2. Accounting policies (continued)**

#### **2.4 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 lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 30 August 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### **2.5 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.

#### **2.6 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.

#### **2.7 Creditors**

Short term creditors are measured at the transaction price.

#### **2.8 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and from loans to and from related parties.

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.

# The Atlantic Monthly UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 2. Accounting policies (continued)

#### 2.9 Pensions

##### Defined contribution pension plan

The company operates a defined contribution pension 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.

#### 2.10 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.

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

In preparing these financial statements, the directors have had to make no material judgements and there are no key sources of estimation uncertainty.

### 4. Operating profit

The operating profit is stated after charging:

|                               | Year ended<br>31 December<br>2018<br>£ | Period ended<br>31 December<br>2017<br>£ |
|-------------------------------|--|--|
| Exchange differences          | 31                                     | 126                                      |
| Other operating lease rentals | 24,301                                 | -  |
|                               | <u>24,332</u>                          | <u>126</u>                               |

### 5. Staff costs

The average monthly number of employees, including directors, during the year was 2 (2017 - 3).

# The Atlantic Monthly UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 6. Taxation

|  | Year ended<br>31 December<br>2018<br>£ | Period Ended<br>31 December<br>2017<br>£ |
|--|--|--|
| <b>Corporation tax</b>                           |  |  |
| Current tax on profits for the year/period       | 7,217                                  | 899                                      |
| <b>Taxation on profit on ordinary activities</b> | <u>7,217</u>                           | <u>899</u>                               |

#### Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

|  | Year Ended<br>31 December<br>2018<br>£ | Period Ended<br>31 December<br>2017<br>£ |
|--|--|--|
| Profit on ordinary activities before tax   | 34,228                                 | 4,731                                    |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%) | 6,503                                  | 899                                      |
| <b>Effects of:</b>   |  |  |
| Expenses not deductible for tax purposes   | 714                                    | -  |
| <b>Total tax charge for the year/period</b>  | <u>7,217</u>                           | <u>899</u>                               |

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

### 7. Debtors: amounts falling due within one year

|                                    | 2018<br>£      | 2017<br>£     |
|------------------------------------|----------------|---------------|
| Amounts owed by group undertakings | 58,670         | 30,226        |
| Other debtors                      | 24,795         | 1,279         |
| Prepayments and accrued income     | 17,946         | 8,885         |
|                                    | <u>101,411</u> | <u>40,390</u> |

# The Atlantic Monthly UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2018

### 8. Creditors: amounts falling due within one year

|                                    | 2018<br>£     | 2017<br>£     |
|------------------------------------|---------------|---------------|
| Trade creditors                    | 3,075         | -             |
| Amounts owed to group undertakings | 42,415        | 26,702        |
| Corporation tax                    | 7,217         | 899           |
| Other creditors                    | 7,711         | -             |
| Accruals and deferred income       | 17,992        | 15,128        |
|                                    | <u>78,410</u> | <u>42,729</u> |

### 9. Share capital

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 1 ordinary share of £1                    | <u>1</u>  | <u>1</u>  |

### 10. Reserves

The company's capital and reserves are as follows:

#### **Called up share capital**

Called up share capital represents the nominal value of the shares issued.

#### **Profit and loss account**

The profit and loss account represents cumulative profits or losses net of dividends paid.

### 11. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

|                       | 2018<br>£     | 2017<br>£ |
|-----------------------|---------------|-----------|
| Not later than 1 year | <u>24,301</u> | <u>-</u>  |



# **The Atlantic Monthly UK Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2018**

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### **12. Related party transactions**

The company has taken advantage of the exemption conferred by FRS 102 Section 33 "Related party transactions" paragraph 33.1A not to disclose transactions with group companies on the grounds that 100% of the voting rights are controlled by the group.

### **13. Controlling party**

During the financial year the company was a subsidiary of The Atlantic Monthly Group LLC, a company incorporated in the United States of America. Laurene Powell Jobs is regarded as the ultimate controlling party.

The largest and smallest group in which the results of the company is consolidated is that headed by The Atlantic Monthly Group LLC. The consolidated accounts of this company are not made available to the public. No other group accounts include the results of the company.