

LLP NUMBER: OC304696

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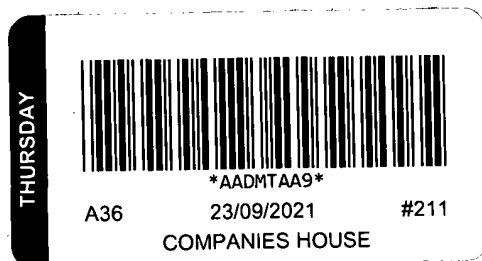
**ATLANTIC EQUITIES LLP**

**ANNUAL REPORT**  
**AND**  
**FINANCIAL STATEMENTS**

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**◆ *Year ended 31 March 2021* ◆**

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## **ATLANTIC EQUITIES LLP**

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## ATLANTIC EQUITIES LLP

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### REPORT OF THE MEMBERS

The members present their report for the year ended 31 March 2021.

#### Principal activity

The principal activity of the group is the provision of brokerage and investment research services.

#### Business review and future developments

The group's profit after tax for the year was £61,272 (2020: £272,577). The LLP profit for the year was £15,753,356 (2020: £14,648,522). This is before an amount of £6,554,041 (2020: £7,016,318) that is payable to the corporate member, Atlantic Equities Service Company Limited, a company incorporated in the United Kingdom, in respect of expenses incurred on behalf of the LLP plus a margin thereon.

Since March 2020 the US equity market has been especially buoyant following liquidity measures undertaken by the Federal Reserve and government stimulus spending. During the first three quarters of the year, equity investors sought holdings in companies that would benefit from "stay at home" spending, principally growth stocks. That gave in the fourth quarter to beneficiaries of a reopening economy and more economically sensitive issues. In both cases it has led to elevated portfolio rotation and trading, which has benefited our business.

Although the future is inevitably clouded by the enduring impact of the Covid-19 pandemic on the economy and financial markets, the members remain cautiously optimistic and anticipate continued profitability during the forthcoming year.

#### Members and drawings

Members during the year:

<u>Member</u>	<u>Class</u>	<u>Appointed</u>	<u>Exited as B Class</u>	<u>Exited as A Class</u>
Atlantic Equities Service Company Limited (corporate member)	B	24.09.2003		
Beaver Capital Ltd	A	19.05.2003		
Ben Clark	A&B	24.09.2003		
Steven Chesney	A&B	01.10.2019		
James Cordwell	A&B	01.10.2014		
Rupert Della-Porta	A&B	14.01.2008		
Hamilton Faber	A&B	24.09.2003		
John Heagerty	A&B	01.10.2019		
Oliver Herington	A&B	01.10.2019		
Anne Hollingworth	A	11.09.2011		
Sam Hudson	A&B	01.07.2020		
Nathan Judge	A	24.09.2003	31.03.2014	
Edward Lewis	A&B	24.09.2003		
Kunaal Malde	A&B	01.10.2019		
Markus McNally	A&B	24.09.2003		
Christopher Middleton	A&B	24.09.2003		
Leif Millarg	A&B	01.10.2015		
Daniela Nedialkova	A&B	01.12.2005		
Keely Oliver	A&B	24.09.2003		
Martyn Panting	A&B	01.10.2015		
Richard Radbourne	A&B	09.02.2004		
William Ross-Hurst	A&B	07.01.2004		
Richard Staite	A	01.07.2011	31.03.2014	
Lisa Traeger	A&B	01.10.2013		
Jonathan Trafford	A	01.07.2011	31.07.2014	
Jason Wootton	A&B	01.10.2016		

### REPORT OF THE MEMBERS (CONTINUED)

The designated members during the year and up to the date of signing the financial statements were:

Hamilton Faber  
Christopher Middleton  
Rupert Della-Porta

#### **Policy for members profits, bonuses, drawings, subscriptions and repayment of members' capital**

Policies for members' profits, drawings, bonuses, and transfers between equity and debt, contributions (being equity or debt) and repayment of members' contributions are governed by the Limited Liability Partnership Agreement dated 24 September 2003 as amended. In summary, the management board determines the capital contribution to be made by each member and such capital contribution shall be repayable only on winding-up or with the consent of the management board. Any contribution may be made by a member at his discretion by payment to the LLP or by transfer from his current account. The management board determines the monthly drawings and bonuses (collectively "drawings") of each member and can direct repayment where drawings during the year have been in excess of a member's share of profits, as determined by the management board, for any financial year. All sums to be charged against a member are debited against his current account to the extent that this is sufficient for the purpose in which case they shall be debited in reduction of his interest in the capital as the management board may determine.

#### **Key performance indicator**

The level of turnover that the group earns is its key performance indicator. During the year the group's turnover increased by 4.56% (2020: 15.5%).

#### **Principal risks and uncertainties**

As an independent broker and investment research business that specialises in US equities, the group is generally exposed to the risks and uncertainties of the financial markets. The principal risk that the group faces is loss of reputation resulting from poor research recommendations and trade execution. Other risks include credit risk arising from debtor balances and cash held with the bank and liquidity risk that cash is insufficient for the group to meet its obligations associated with financial liabilities.

Specifically, the group's business may be disrupted by the global macroeconomic impact of Covid-19 in particular the decline in the sterling dollar rate as the US federal balance sheet deteriorates. Brexit exerts ongoing uncertainties with regard to possible regulatory development and client sentiment although these have been mitigated by the formation of the German subsidiary.

The group formally considers all risks and establishes appropriate procedures and controls to monitor and mitigate them and limit the adverse effects on the financial performance of the group. In particular, the group assesses the credit quality of its counterparties by taking into account their financial position, past experience, any independent credit ratings and other factors. The financial and regulatory compliance functions are outsourced to a third party provider thus offering a degree of independence during the process of control.

#### **Pillar III disclosures**

The LLP has documented the disclosures required by the FCA under BIPRU 11.3. These can be found on the LLP's website [www.atlantic-equities.com](http://www.atlantic-equities.com).

#### **Statement as to disclosure of information to auditors**

It is stated by the members who held office at the date of approval of this Members' Report that, so far as they are aware, there is no relevant audit information of which the LLP's auditors are unaware, and all the members have taken all the steps that they ought to have taken as members to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

## **ATLANTIC EQUITIES LLP**


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### **REPORT OF THE MEMBERS (CONTINUED)**

#### **Auditors**

Berg Kaprow Lewis LLP were reappointed as auditor for the year ended 31 March 2021. A resolution concerning their reappointment will be proposed at the annual general meeting.

The financial statements on pages 9 to 29 were approved and signed on behalf of the members by



Rupert Della-Porta, Designated Member

Date:

02/07/2021

### STATEMENT OF MEMBERS' RESPONSIBILITIES

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Ireland'). The financial statements are required by law to give a true and fair view of the state of affairs of the group and LLP and of the profit or loss of the group and LLP for that period. In preparing these financial statements, the members are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 group will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and LLP and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the group and LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members confirm that:

- so far as each member is aware, there is no relevant audit information of which the auditor of the group and LLP is unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.



Rupert Della-Porta, Designated Member

Date: 02/07/2021

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC EQUITIES LLP

#### Opinion

We have audited the financial statements of Atlantic Equities LLP (the 'parent LLP') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Consolidated and LLP Income Statements, the Consolidated and LLP Statements of Comprehensive Income, the Consolidated and LLP Balance Sheets, the Consolidated and LLP Cashflow Statements, the Consolidated and LLP Statements of Changes in Equity 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 Group's and of the parent LLP's affairs as at 31 March 2021 and of the Group's 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

#### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC EQUITIES LLP  
(CONTINUED)**

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

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

- adequate accounting records have not been kept by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of members**

As explained more fully in the Members' responsibilities statement on page 5, the members 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 members 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 members are responsible for assessing the Group's and the parent LLP'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 members either intend to liquidate the Group or the parent LLP or to cease operations, or have 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiring of management around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC EQUITIES LLP  
(CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements (continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or the parent LLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Group's and the parent LLP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' 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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

*David Landau*

David Landau FCA (Senior Statutory Auditor)  
for and on behalf of  
**Berg Kaprow Lewis LLP**  
Chartered Accountants  
Statutory Auditors  
London  
Date: 02/07/2021

## ATLANTIC EQUITIES LLP

### CONSOLIDATED AND LLP INCOME STATEMENTS for the year ended 31 March 2021

	Note	Group Year ended 31 March 2021 £	LLP Year ended 31 March 2021 £	Group Year ended 31 March 2020 £	LLP Year ended 31 March 2020 £
Turnover	1d & 2	17,400,852	17,365,020	16,665,611	16,368,382
Cost of sales		(1,056,268)	(1,421,684)	(1,268,377)	(1,268,377)
Gross profit		16,344,584	15,943,336	15,397,234	15,100,005
Administrative expenses	1e	(6,986,452)	(352,402)	(7,352,278)	(458,337)
<b>Operating profit</b>	3	9,358,132	15,590,934	8,044,956	14,641,668
Income from fixed asset investments – dividend received		-	161,304	-	-
Interest receivable		1,148	1,118	8,812	6,854
Interest payable		-	-	(6,953)	-
<b>Profit on ordinary activities before taxation</b>		9,359,280	15,753,356	8,046,815	14,648,522
Taxation	6	(98,694)	-	(142,035)	-
<b>Profit for the financial year before members' remuneration and profit shares</b>		9,260,586	15,753,356	7,904,780	14,648,522
Members' remuneration charged as an expense		(9,199,314)	(15,753,356)	(7,632,203)	(14,648,522)
<b>Profit for the financial year available for discretionary division among members</b>		61,272	-	272,577	-

The LLP profit for the year to 31 March 2021 is before paying, by way of drawings, £6,554,041 (2020: £7,016,318) of expenses incurred plus a margin thereon by the corporate member, Atlantic Equities Service Company Limited.

## **ATLANTIC EQUITIES LLP**

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### **CONSOLIDATED AND LLP STATEMENTS OF COMPREHENSIVE INCOME**

for the year ended 31 March 2021

	<b>Group Year ended 31 March 2021 £</b>	<b>LLP Year ended 31 March 2021 £</b>	<b>Group Year ended 31 March 2020 £</b>	<b>LLP Year ended 31 March 2020 £</b>
<b>Profit for the financial year available for discretionary division among members</b>	61,272	-	272,577	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>61,272</b>	<b>-</b>	<b>272,577</b>	<b>-</b>

The notes on pages 15 to 29 form part of these financial statements.

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## ATLANTIC EQUITIES LLP

### CONSOLIDATED AND LLP BALANCE SHEETS

as at 31 March 2021

		Group 31 March 2021 £	LLP 31 March 2021 £	Group 31 March 2020 £	LLP 31 March 2020 £
	Note				
<b>Fixed assets</b>					
Tangible assets	7	226,841	-	288,473	-
Intangible assets - goodwill	8	105,259	-	157,887	-
Investments	9	-	819,779	-	819,779
		<u>332,100</u>	<u>819,779</u>	<u>446,360</u>	<u>819,779</u>
<b>Current assets</b>					
Debtors	10	2,220,741	1,898,385	2,967,235	2,275,977
Cash at bank and in hand		<u>4,800,829</u>	<u>4,187,818</u>	<u>4,385,438</u>	<u>3,895,145</u>
		7,021,570	6,086,203	7,352,673	6,171,122
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,678,393)</u>	<u>(808,494)</u>	<u>(2,123,871)</u>	<u>(722,237)</u>
<b>Net current assets</b>		<u>5,343,177</u>	<u>5,277,709</u>	<u>5,228,802</u>	<u>5,448,885</u>
<b>Total assets less current liabilities</b>		<u>5,675,277</u>	<u>6,097,488</u>	<u>5,675,162</u>	<u>6,268,664</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(95,945)	-	(135,645)	-
Provision for liabilities and charges	12	<u>(32,868)</u>	<u>-</u>	<u>(33,412)</u>	<u>-</u>
<b>Net assets attributable to members</b>		<u>5,546,464</u>	<u>6,097,488</u>	<u>5,506,105</u>	<u>6,268,664</u>
<b>Represented by:</b>					
<b>Loans and other debt due to members within on year</b>					
Other amounts	14	3,094,702	4,219,980	3,158,039	4,433,580
<b>Members' other interests</b>					
Members' capital disclosed as equity under FRS102	14	1,877,508	1,877,508	1,835,084	1,835,084
Other reserves classified as equity	14	<u>574,254</u>	<u>-</u>	<u>512,982</u>	<u>-</u>
		2,451,762	1,877,508	2,348,066	1,835,084
		<u>5,546,464</u>	<u>6,097,488</u>	<u>5,506,105</u>	<u>6,268,664</u>
<b>Total members' interests:</b>					
Amounts due from members	14	(11)	(11)	(6,751)	(303)
Loans and other debts due to members	14	3,094,703	4,219,980	3,158,039	4,433,580
Members' other interests		<u>2,451,762</u>	<u>1,877,508</u>	<u>2,348,066</u>	<u>1,835,084</u>
		<u>5,546,454</u>	<u>6,097,477</u>	<u>5,499,354</u>	<u>6,268,361</u>

The financial statements were approved by the designated members are signed on behalf of all members by:



Christopher Middleton, Designated Member, Atlantic Equities LLP

LLP Number: OC304696

Date: 02/07/2021

The notes on pages 15 to 29 form part of these financial statements.

**ATLANTIC EQUITIES LLP****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 March 2021

		<b>Members' capital (classified as equity) £</b>	<b>Members' other interests £</b>	<b>Total £</b>
	<b>Note</b>			
Members' interests at 1 April 2019		1,880,072	240,405	2,120,477
Profit for the financial year available for discretionary division among members		-	7,904,780	7,904,780
Members' interests after profit for the year		1,880,072	8,145,185	10,025,257
Introduced by Members		158,751	-	158,751
Repaid to Members		(203,739)	-	(203,739)
Allocation of profit		-	(7,632,203)	(7,632,203)
Members' interests at 31 March 2020	14a	1,835,084	512,982	2,348,066
Members' interests at 1 April 2020		1,835,084	512,982	2,348,066
Profit for the financial year available for discretionary division among members		-	9,260,586	9,260,586
Members' interests after profit for the year		1,835,084	9,773,568	11,608,652
Introduced by Members		42,424	-	42,424
Allocation of profit		-	(9,199,314)	(9,199,314)
Members' interests at 31 March 2021	14a	1,877,508	574,254	2,451,762

The notes on pages 15 to 29 form part of these financial statements.

## ATLANTIC EQUITIES LLP

### STATEMENT OF CHANGES IN EQUITY - LLP for the year ended 31 March 2021

	Note	Members' capital (classified as equity) £	Members' other interests £	Total £
Members' interests at 1 April 2019		1,880,072	-	1,880,072
Profit for the financial year available for discretionary division among members		-	14,648,522	14,648,522
Members' interests after profit for the year		1,880,072	14,648,522	16,528,594
Introduced by Members		158,751	-	158,751
Repaid to Members		(203,739)	-	(203,739)
Allocation of profit		-	(14,648,522)	(14,648,522)
Members' interests at 31 March 2020	14b	1,835,084	-	1,835,084
Members' interests at 1 April 2020		1,835,084	-	1,835,084
Profit for the financial year available for discretionary division among members		-	15,753,356	15,753,356
Members' interests after profit for the year		1,835,084	15,753,356	17,588,440
Introduced by Members		42,424	-	42,424
Repaid to Members		-	-	-
Allocation of profit		-	(15,753,356)	(15,753,356)
Members' interests at 31 March 2021	14b	1,877,508	-	1,877,508

The notes on pages 15 to 29 form part of these financial statements.

## ATLANTIC EQUITIES LLP

### CONSOLIDATED AND LLP CASH FLOW STATEMENTS

for the year ended 31 March 2021

		Group Year ended 31 March 2021 £	LLP Year ended 31 March 2021 £	Group Year ended 31 March 2020 £	LLP Year ended 31 March 2020 £
Net cash generated from operating activities	15	9,676,663	16,054,491	9,099,257	15,103,402
Taxation paid		(32,824)	-	(505,648)	-
<b>Net cash generated from total operating activities</b>		<b>9,643,839</b>	<b>16,054,491</b>	<b>8,593,609</b>	<b>15,103,402</b>
<b>Cash flow from investing activities</b>					
Purchase of group undertaking		-	-	-	(136,750)
Interest received		1,148	1,118	8,812	6,854
Dividend from group undertaking		-	161,305	-	-
Purchase of tangible fixed assets		(16,108)	-	(318,131)	-
<b>Net cash used in investing activities</b>		<b>(14,960)</b>	<b>162,423</b>	<b>(309,319)</b>	<b>(129,896)</b>
<b>Cash flow from financing activities</b>					
Capital contributions by members		42,424	42,424	158,751	158,751
Capital repayments to members		-	-	(203,739)	(203,739)
Bank loan received		-	-	-	-
Repayment of bank loan		-	-	(489,148)	-
Loans paid to members		-	-	-	-
Repayment of loans by members		6,740	292	72,199	14,774
Interest paid		-	-	(5,222)	-
Drawings paid to members		(9,262,652)	(15,966,957)	(5,894,683)	(12,615,253)
<b>Net cash used in financing activities</b>		<b>(9,213,488)</b>	<b>(15,924,241)</b>	<b>(6,361,842)</b>	<b>(12,645,467)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>415,391</b>	<b>292,673</b>	<b>1,922,448</b>	<b>2,328,039</b>
Exchange gains/(losses) on cash and cash equivalents		-	-	6,913	(833)
Cash and cash equivalents at the beginning of year	1j	4,385,438	3,895,145	2,456,077	1,567,939
<b>Cash and cash equivalents at end of year</b>		<b>4,800,829</b>	<b>4,187,818</b>	<b>4,385,438</b>	<b>3,895,145</b>

The notes on pages 15 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****1. ACCOUNTING POLICIES****General information**

Atlantic Equities LLP ("the LLP") is a Limited Liability Partnership incorporated in the United Kingdom. The address of its registered office is Suite 1, 3<sup>rd</sup> Floor, 11-12 St. James's Square, London, SW1Y 4LB and its principal place of business is 6<sup>th</sup> floor, 25 Cophall Avenue, London EC2R 7BP.

The principal activity of the LLP and its subsidiaries, Atlantic Equities Services Company Limited and Atlantic Equities Deutschland GmbH, ("the group") is the provision of brokerage and investment research services specialising in US equities.

**Statement of compliance**

The financial statements of the group have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

**Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, as applied to Limited Liability Partnerships. The financial statements have also been prepared in compliance with the Statement of Recommended Practice relating to Limited Liability Partnerships (2018 version) and the terms of the Partnership Agreement. Applicable accounting standards and policies in the United Kingdom are applied consistently.

**b) Going concern**

As outlined in the Report of the Members, although the Covid-19 pandemic has resulted in an uncertain environment, the members have a reasonable expectation, based on their assessment of the LLP's financial position and resources, and those of the group, that it will continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements, and will be able to meet its debts as they fall due. The members therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**c) Basis of consolidation**

The consolidated financial statements have been prepared in accordance with section 9 of FRS 102. The group consolidated financial statements include the financial statements of the LLP and its subsidiary undertakings for the year ended 31 March 2021.

Subsidiaries are entities that are directly or indirectly controlled by the group. Control exists where the group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively. Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Uniform accounting policies have been used across the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.



### 1. ACCOUNTING POLICIES (CONTINUED)

#### d) Turnover

Turnover comprises investment research fees and commissions earned on the introduction of business to brokers. The research fees and broker commissions are accounted for in the profit and loss account on an accruals basis.

#### e) Administrative expenses

Administrative expenses relate to costs incurred by the group in relation to the constitution, administration and business of the group and are accounted for in the profit and loss account on an accruals basis.

#### f) Foreign currencies

Functional and presentation currency:

The financial statements are presented in the currency of the primary economic environment in which the group and LLP operates. The group's functional and presentation currency is Sterling.

Transactions and balances:

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. 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 income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within the operating profit.

#### g) Employee benefits

The group provides benefits to employees, including a defined contribution scheme and holiday pay.

Short term benefits:

Short-term employee benefits such as salaries and compensated absence are recognised as an expense in the year employees render services to the company. A liability is recognised at each balance sheet date to the extent that employee holiday allowance has been accrued but not taken, the expense being recognised as staff costs in the income statement.

Pension contributions:

Pension contributions to the group's workplace pension scheme for eligible employees are accounted for in the income statement on an accrual basis.

#### h) Taxation

The LLP is not subject to taxation. Consequently, neither taxation nor related deferred taxation arising in respect of the LLP is accounted for in these financial statements. Taxable profits and losses are allocated to the members in accordance with the LLP agreement and the liability for any tax is the responsibility of each member. Tax arising on profits and losses of the subsidiary undertakings is recognised in the consolidated income statement.

Current tax, including UK corporation tax and foreign tax, is provided using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date on the excess of taxable income and allowable expenses.

**1. ACCOUNTING POLICIES (CONTINUED)****i) Deferred taxation**

In the group accounts deferred tax is accounted for on an undiscounted basis at expected tax rates on all timing differences that have originated but not reversed at the balance sheet date where transactions and events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements other than differences regarded as permanent.

A deferred tax asset is only recognised where it is more likely than not that the asset will be recoverable in the foreseeable future out of taxable profits from which the reversal of timing differences can be deducted.

**j) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, any deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

**k) Financial instruments**

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. The group does not hold or issue derivative financial instruments.

**1. ACCOUNTING POLICIES (CONTINUED)****l) Financial instruments (continued)****(iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

**m) Investment in subsidiaries**

Investment in the subsidiary companies are held at cost less accumulated impairment losses.

**n) Business combination and goodwill**

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

**o) Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Goodwill	-	10 years
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If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations. If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in the income statement in the periods expected to be benefitted.

**p) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Costs include those costs which are directly attributable to bringing the asset into working condition for its intended use.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, over their estimated useful lives. It is calculated on a straight-line basis over the following period:

Office equipment	-	3 years
Computer equipment	-	3 years
Leasehold improvements	-	5 years

**1. ACCOUNTING POLICIES (CONTINUED)****q) Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

**r) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the income statement on a straight-line basis over the period of the lease unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**s) Service company expenses**

In the LLP accounts, an amount paid as drawings is allocated to the corporate member, the service company, in respect of the expenses it incurs on behalf of the LLP.

**t) Members' remuneration and interests**

Members' rights to participate in the profits or losses, or assets of the LLP are analysed between those that give rise to, from the LLP's perspective, either a financial liability or equity, in accordance with Section 11 and 12, 'of FRS 102 - Financial Instruments: Disclosure and Presentation' and Section 22 of FRS 102 'Members' Shares in Co-operative Entities and Similar Instruments'. Members' different participation rights are analysed separately into liability and equity elements. Where the LLP has a contractual obligation to deliver cash or another financial asset to the member, the capital is treated as debt. Where the LLP has an unconditional right to avoid delivering cash or other financial assets to a member in respect of such amounts (i.e. repayment of the member's capital is discretionary), it is treated as equity.

**(i) Members' remuneration**

Non-discretionary amounts becoming due to members in respect of participation rights in the profits of the LLP for an accounting period that give rise to liabilities are presented as an expense within the income statement (within the heading Members' remuneration charged as an expense). Amounts becoming due to members in respect of equity participation rights, following a discretionary division of profits, are debited directly to equity in the accounting period in which the division occurs.

**1. ACCOUNTING POLICIES (CONTINUED)****t) Members' remuneration and interests****(ii) Members' interests**

Such amounts are not presented as an expense within the income statement.

**u) Critical judgements and estimates in applying the accounting policies**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**2. TURNOVER**

The turnover for the year is attributable to investment research fees and commissions earned on the introduction of business to brokers. These fees are fully derived from the United Kingdom and continental Europe.

**3. OPERATING PROFIT**

Operating profit is arrived at after charging/(crediting):

	<b>Group Year ended 31 March 2021 £</b>	<b>LLP Year ended 31 March 2021 £</b>	<b>Group Year ended 31 March 2020 £</b>	<b>LLP Year ended 31 March 2020 £</b>
Auditor's remuneration:				
– fees payable to the LLP's auditor for the audit of the annual financial statements	20,000	-	19,000	-
– fees payable to the LLP's auditor for the audit of subsidiaries	13,500	-	9,000	-
Fees payable to the LLP's auditor and its associates for other services:				
– other audit related services	-	-	-	-
– other services relating to taxation	4,950	-	4,500	-
Operating lease rentals – property	261,240	-	295,494	-
Depreciation	77,741	-	47,730	-
Amortisation of goodwill arising on consolidation	52,629	-	52,629	-
Foreign exchange loss/(gain)	130,881	-	(26,667)	-

Auditor's remuneration in relation to audit and audit related services of £20,000 (2020: £19,000) and other services relating to taxation of £3,650 (2020: £3,250) have been paid for by Atlantic Equities Service Company Limited, the corporate member on behalf of the LLP. These expenses are included in the £6,554,041 (2020: £7,016,318) allocated to the corporate member.

## ATLANTIC EQUITIES LLP

### 4. EMPLOYEES

	<b>Group Year ended 31 March 2021 £</b>	<b>LLP Year ended 31 March 2021 £</b>	<b>Group Year ended 31 March 2020 £</b>	<b>LLP Year ended 31 March 2020 £</b>
Wages and salaries	3,192,085	-	3,532,207	-
Social security costs	336,231	-	341,795	-
Pensions	60,694	-	77,232	-
Other benefits (note 1f)	-	-	-	-
	<u>3,589,010</u>	<u>-</u>	<u>3,951,234</u>	<u>-</u>

The average number of employees was as follows:

	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Office and management	<u>19</u>	<u>-</u>	<u>19</u>	<u>-</u>

### 5. MEMBERS

#### Average number of members

	<b>Group Year ended 31 March 2021</b>	<b>LLP Year ended 31 March 2021</b>	<b>Group Year ended 31 March 2020</b>	<b>LLP Year ended 31 March 2020</b>
Research analysts and sales representatives	24	24	22	22
Corporate members	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	<u>26</u>	<u>26</u>	<u>24</u>	<u>24</u>

During the year, no members received remuneration other than their entitlement to LLP profit. There were no additional key management personnel.

The largest entitlement to profit of a single member during the year was £6,554,041 (2020: £7,016,318). This amount is made up of the member's profit allocation for the year ended 31 March 2021 out of the LLP profit of £15,753,356 (2020: £14,648,522) as shown on page 9.

### 6. TAXATION – Group

<b>a) Tax on profit on ordinary activities</b>	<b>Year ended 31 March 2021 £</b>	<b>Year ended 31 March 2020 £</b>
<b>Current tax:</b>		
Corporation tax on profits of the year	105,753	109,187
Adjustments in respect of previous years	<u>-</u>	<u>-</u>
Total current tax	<u>105,753</u>	<u>109,187</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(7,059)</u>	<u>32,848</u>
Total deferred tax (note 12)	<u>(7,059)</u>	<u>32,848</u>
Tax on profit on ordinary activities	<u>98,694</u>	<u>142,035</u>

**6. TAXATION – Group (CONTINUED)**

The LLP is not subject to taxation. Taxable profits and losses allocated to the members in accordance with the LLP agreement and the liability for any tax is the responsibility of each member.

The group is, however, subject to tax on the profits made by its subsidiaries.

The tax assessed for the year on taxable profits made by the subsidiaries is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

<b>b) Reconciliation of tax charge</b>	<b>Year ended 31 March 2021 £</b>	<b>Year ended 31 March 2020 £</b>
Profit on ordinary activities before taxation	<u>9,359,280</u>	<u>8,046,815</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 19% (2020: 19%)	1,778,263	1,528,895
Effects of:		
Taxation assessable directly on members	(1,747,870)	(1,450,119)
Amortisation of goodwill	10,000	10,000
Adjustments to tax charge in respect of prior years	-	-
Expenses not deductible for tax purposes	6,270	21,830
Adjustment to LLP profit allocation	-	-
Foreign tax	<u>52,031</u>	<u>31,429</u>
<b>Total tax charge for the year</b>	<u>98,694</u>	<u>142,035</u>

**7. TANGIBLE FIXED ASSETS – Group**

	<b>Office Equipment £</b>	<b>Computer Equipment £</b>	<b>Leasehold Improvements £</b>	<b>Total £</b>
Cost:				
At 1 April 2020	116,778	350,381	298,299	765,458
Additions	-	16,109	-	16,109
Disposals	(51,269)	(246,140)	-	(297,409)
At 31 March 2021	<u>65,509</u>	<u>120,350</u>	<u>298,299</u>	<u>484,158</u>
Depreciation:				
At 1 April 2020	113,338	328,846	34,801	476,985
Charge for the year	1,582	16,499	59,660	77,741
Disposals	(51,269)	(246,140)	-	(297,409)
At 31 March 2021	<u>63,651</u>	<u>99,205</u>	<u>94,461</u>	<u>257,317</u>
Net book value:				
At 31 March 2021	<u>1,858</u>	<u>21,145</u>	<u>203,838</u>	<u>226,841</u>
At 31 March 2020	<u>3,440</u>	<u>21,535</u>	<u>263,498</u>	<u>288,473</u>

## ATLANTIC EQUITIES LLP

### 8. INTANGIBLE ASSETS – Group

Goodwill	Total £
Cost:	
At 1 April 2020	526,294
At 31 March 2021	<u>526,294</u>
Amortisation:	
At 1 April 2020	368,407
Charge for the year	52,629
At 31 March 2021	<u>421,036</u>
Net book value:	
At 31 March 2021	<u>105,258</u>
At 31 March 2020	<u>157,887</u>

Amortisation of intangible fixed assets is included in administrative expenses.

### 9. INVESTMENTS

	Group 31 March 2021 £	LLP 31 March 2021 £	Group 31 March 2020 £	LLP 31 March 2020 £
Shares in group undertakings	-	819,779	-	819,779

#### Interest in subsidiary

Name	Country of Incorporation	Nature of business	Interest
Atlantic Equities Service Company Limited ("AE Limited")	England and Wales	Management services to the LLP	100%
Atlantic Equities Deutschland GmbH ("AED")	Germany	Investment advisory	100%

The investments are carried at cost on the balance sheet, less any impairment. AE Limited provides management services to the LLP and receives payment, by way of drawings, for the expenses it incurs on behalf of the LLP. It is also the corporate member of the LLP. AED was authorised to provide financial services by BaFin, the Federal Financial Supervisory Board in Germany on 11 November 2019. AED provides research and execution services to clients within continental Europe post Brexit.



**ATLANTIC EQUITIES LLP**

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**10. DEBTORS**

	<b>Group 31 March 2021 £</b>	<b>LLP 31 March 2021 £</b>	<b>Group 31 March 2020 £</b>	<b>LLP 31 March 2020 £</b>
Amounts falling due within one year:				
Trade debtors	247,614	213,475	415,014	391,040
Other debtors	126,210	-	126,026	9,583
Prepayments and accrued income	1,844,990	1,684,899	2,238,297	1,868,968
Rent deposit	-	-	148,638	-
Amounts due from Atlantic Equities Deutschland GmbH	-	-	-	6,083
Amounts due from members	11	11	6,751	303
	<u>2,218,825</u>	<u>1,989,385</u>	<u>2,934,726</u>	<u>2,275,977</u>
Amounts falling due after more than one year:				
Other debtors	1,916	-	32,509	-
	<u>2,220,741</u>	<u>1,898,385</u>	<u>2,967,235</u>	<u>2,275,977</u>

**11. CREDITORS**

	<b>Group 31 March 2021 £</b>	<b>LLP 31 March 2021 £</b>	<b>Group 31 March 2020 £</b>	<b>LLP 31 March 2020 £</b>
Amounts falling due within one year:				
Trade creditors	194,412	24,513	199,873	71,051
Accruals and deferred income	1,041,214	70,094	1,473,320	347,804
Other creditors	39,694	-	39,696	-
Corporate tax payable	171,578	-	110,217	-
Other taxes and social security	91,338	-	95,026	-
Amounts due to Atlantic Equities Deutschland GmbH	-	482,369	-	-
VAT payable	140,157	231,518	205,739	303,382
	<u>1,678,393</u>	<u>808,494</u>	<u>2,123,871</u>	<u>772,237</u>
Amounts falling due after more than one year:				
Other creditors	95,945	-	135,645	-
	<u>1,774,338</u>	<u>808,494</u>	<u>2,259,516</u>	<u>772,237</u>

**12. PROVISION FOR LIABILITIES AND CHARGES - Group**

	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Deferred taxation liability	26,353	33,412
The movement in the provision is as follows:		
At the start of the year	33,412	564
Short term timing differences:		
- origination and reversal of timing differences	(7,059)	32,848
At the end of the year	26,353	33,412

Deferred tax has been provided at 19% (2020: 19%) because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse.

**13. FINANCIAL RISK MANAGEMENT**

The group has exposure to four main areas of risk: foreign exchange risk, credit risk, capital risk and, to a lesser extent, liquidity risk.

*Foreign exchange risk*

The group is exposed to currency exchange rate risk due to a significant proportion of its receivables being denominated in US dollars compared to an expense base that is predominantly pound sterling. The net currency exposure is closely monitored and the current policy is to exchange US dollars into pound sterling on receipt or as soon as practicable thereafter, taking into account any US dollar denominated expenses that are due to be paid. The members regularly review the costs and benefits of implementing a currency hedging policy using forward foreign exchange contracts and currency options.

*Credit risk*

The group is at risk to the extent that its clients do not pay the research fees and commissions that have been promised or awarded to the group. This risk is mitigated by regular review of aged debtors and strong on-going client relationships.

*Capital risk*

There is the risk that the group has insufficient capital to support its level of operations and absorb unexpected business shocks. The group is capitalised by members' capital contributions, made in accordance with the terms of the LLP Agreement and defined as equity. No capital may be repaid unless either it is replaced by new capital contributions or the group obtains the approval of its regulator, the Financial Conduct Authority (the FCA). Members continuously monitor the group's level of capital against the requirements of the FCA rulebook and the group was fully compliant during the year. The level of members' capital in the current and the prior year is disclosed in notes 14a and 14b.

*Liquidity risk*

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. As the group is consistently in a strong net positive operating cash flow position, it is comfortably able to meet its commitments and obligations as they fall due.

## ATLANTIC EQUITIES LLP

### 14a. RECONCILIATION OF MOVEMENTS IN MEMBERS' OTHER AND MEMBERS' TOTAL INTERESTS - Group

	Members' capital £	Other reserves classified as equity £	Total £	Loans and other debts £	2021 Total £	2020 Total £
Amounts due to members	-	-	-	3,158,039		-
Amounts due from members	-	-	-	(6,751)		-
<b>Members' interests 1 April 2020</b>	1,835,084	512,982	2,348,066	3,151,288	5,499,354	3,462,046
<b>Profit for the financial year available for division among members</b>	-	9,260,586	9,260,586	-	9,260,586	7,904,780
<b>Members interests after profit for the year</b>	1,835,084	9,773,568	11,608,652	3,151,288	14,759,940	11,366,826
Allocation of profit for the year	-	(9,199,314)	(9,199,314)	9,199,314	-	-
Introduced by members	42,424	-	42,424	-	42,424	158,751
Repaid to members	-	-	-	-	-	(203,739)
Drawings	-	-	-	(9,262,652)	(9,262,652)	(5,894,683)
Other movements	-	-	-	6,742	6,742	72,199
	1,877,508	574,254	2,451,762	3,094,692	5,546,454	5,499,354
Amounts due to members	-	-	-	3,094,703	-	-
Amounts due from members	-	-	-	(11)	-	-
<b>Members' interests 31 March 2021</b>	1,877,508	574,254	2,451,762	3,094,692	5,546,454	5,499,354

Loans and other debts due to members rank equally with unsecured creditors in the event of a winding up of the LLP.

Members' capital amounts may only be returned to a member where either a) an amount equal to the amount to be returned is first contributed to the LLP as additional capital by one or more other member; b) the LLP receives regulatory approval to reduce its capital; or c) the LLP is wound up or otherwise dissolved.

The subsidiary company, Atlantic Equities Service Company Limited, is also a member of the LLP and the balance due from Atlantic Equities Service Company Limited has been excluded on the group balance sheet.

## ATLANTIC EQUITIES LLP

### 14b. RECONCILIATION OF MOVEMENTS IN MEMBERS' OTHER AND MEMBERS' TOTAL INTERESTS - LLP

	Members' capital £	Other reserves classified as equity £	Total £	Loans and other debts £	2021 Total £	2020 Total £
Amounts due to members	-	-	-	4,433,580		-
Amounts due from members	-	-	-	(303)		-
<b>Members' interests 1 April 2020</b>	1,835,084	-	1,835,084	4,433,277	6,268,361	4,265,309
<b>Profit for the financial year available for division among members</b>	-	15,753,356	15,753,356	-	15,753,356	14,648,522
<b>Members interests after profit for the year</b>	1,835,084	15,753,356	17,588,440	4,443,277	22,031,717	18,913,831
Allocation of profit for the year	-	(15,753,356)	(15,753,356)	15,753,356	-	-
Introduced by members	42,424	-	42,424	-	42,424	158,751
Repaid to members	-	-	-	-	-	(203,739)
Drawings	-	-	-	(15,966,657)	(15,966,957)	(12,615,253)
Other movements	-	-	-	(9,707)	(9,707)	14,771
	1,877,508	-	1,877,508	4,219,969	6,097,477	6,268,361
Amounts due to members	-	-	-	4,219,980	-	-
Amounts due from members	-	-	-	(11)	-	-
<b>Members' interests 31 March 2021</b>	1,877,508	-	1,877,508	4,219,969	6,097,477	6,268,361

Loans and other debts due to members rank equally with unsecured creditors in the event of a winding up of the LLP.

Members' capital amounts may only be returned to a member where either a) an amount equal to the amount to be returned is first contributed to the LLP as additional capital by one or more other member; b) the LLP receives regulatory approval to reduce its capital; or c) the LLP is wound up or otherwise dissolved.

**15. RECONCILIATION OF PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>Group Year ended 31 March 2021 £</b>	<b>LLP Year ended 31 March 2021 £</b>	<b>Group Year ended 31 March 2020 £</b>	<b>LLP Year ended 31 March 2020 £</b>
Profit for the financial year	61,272	-	272,577	-
Members' remuneration charged as an expense	9,199,315	15,592,052	7,632,203	14,648,522
Interest receivable	(1,148)	(1,118)	(1,859)	(6,854)
Taxation	98,694	-	142,035	-
Operating profit	9,358,133	15,590,934	8,044,956	14,641,668
Depreciation	77,741	-	47,730	-
Amortisation of goodwill	52,629	-	52,629	-
Decrease in debtors	734,698	377,300	295,850	81,484
Decrease/(increase) in creditors	(546,538)	86,257	665,005	379,417
Exchange losses/(gains) on cash and cash equivalents	-	-	(6,913)	833
<b>Net cash inflow from operating activities</b>	<b>9,676,663</b>	<b>16,054,491</b>	<b>9,099,257</b>	<b>15,103,402</b>

**16. FINANCIAL COMMITMENTS – Group****Operating Leases**

As at 31 March 2021 the group had future minimum lease payments under non-cancellable operating leases for land and buildings expiring as follows:

	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Within one year	285,000	285,000
Between one and two years	570,000	570,000
Between two to five years	342,781	627,781
	<u>1,197,781</u>	<u>1,482,781</u>

**17. PENSION COMMITMENTS**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £60,694 (2020: £77,232). Contributions totalling £nil (2020: £nil) were payable to the fund at the balance sheet date.

**18. RESERVES****Other reserves classified as equity**

Includes all current and prior period retained profits and losses less dividends paid out.

**19. RELATED PARTY TRANSACTIONS**

During the year Atlantic Equities LLP (the “LLP”) paid drawings to its corporate member, Atlantic Equities Service Company Limited (“AE Limited”), of £6,554,041 (2020: £7,016,318). These were in respect of expenses of £6,363,147 (2020: £6,811,959) plus a margin thereon. At 31 March 2021, AE Limited owed the LLP £1,125,277 (2020: LLP owed AE Limited £1,275,542).

During the year ended 31 March 2019 the group granted loans to two individual members of the LLP (the “Loans”) totalling £71,698, accruing daily interest at the Coutts & Company base rate plus 3%. At 31 March 2021 these members of the LLP owed the company £nil (2020: £6,448).

The members of the management board of the LLP were considered to be key management responsible for planning, directing and controlling the activities of the LLP. Transactions with those members and balances as at the year-end were as follows:

	<b>31 March 2021 £</b>	<b>31 March 2020 £</b>
Profits allocated to key management	4,890,958	4,423,266
Amounts withdrawn by key management	4,976,560	3,547,320
Amounts due to key management	1,913,085	1,998,688