

2010



Atlantic Global Plc

# Annual Report and Accounts

Year ended 31 December 2010



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***Atlantic Global's mission: "To supply high quality, flexible and affordable business software solutions, to enable our customers to become more efficient and competitive."***

# Financial and Operational Highlights

## Financial

	Year ended 31 December 2010	Year ended 31 December 2009
	£	£
Turnover	<b>1,166,000</b>	1,350,000
Loss before tax	<b>(220,000)</b>	(130,000)
Loss per share	<b>(0.85)p</b>	(0.57)p
Dividend payable per share – Half year	<b>0.1p</b>	–
Cash and cash equivalents	<b>2,036,000</b>	2,032,000

## Turnover analysis

	Year ended 31 December 2010		Year ended 31 December 2009	
	£000	%	£000	%
Licence	<b>172</b>	<b>15</b>	202	15
Support	<b>575</b>	<b>49</b>	668	49
Services	<b>271</b>	<b>23</b>	426	32
On Demand – (Software as a Service)	<b>148</b>	<b>13</b>	54	4
	<b>1,166</b>	<b>100%</b>	1,350	100%

## Operational Highlights and Outlook for 2011:

- Consistent investment in product development & in supporting infrastructure geared toward increasing our investment in sales and marketing during 2011
- Launched the fully Automated SaaS platform on the 9 November 2010
- Generated over 300 product trials since the launch
- Broadened our offering to make it a complete End to End Business Solution
- Solution is now more focussed on improving everyday operational activities
- Invested to make our solution more attractive to partners
- Initiated partnership discussions of which one of those signed up early 2011
- Retained the cash flow in the business
- Cost base low and stable
- Improved economic trading conditions and increased levels of customer confidence

# Chairman's Statement

The Board believes that the financial results for 2010 did not reflect the solid progress made by the Group, and are disappointed to report a loss before taxation of £220,000 compared with a loss of £130,000 for 2009. Group turnover was £1,166,000 (2009: £1,350,000). The loss per share was 0.85 pence (2009 loss per share: 0.57 pence). A number of material contracts expected in December 2010 were delayed and orders were received in early 2011, post year end.

The Group increased its net cash balance at year end to £2,036,000 (2009: £2,032,000).

The Group maintained its investment in research and development at a cost of £402,000 (2009: £403,000), which resulted in the launch of a fully automated Software as a Service (SaaS) solution being made available on the 9 November 2010. The introduction of this automated SaaS platform allows customers to commence evaluating our solution at their own convenience. This capability marks a significant milestone for the Group and provides an effective means of targeting and engaging with larger volumes of small and medium sized enterprises as well as individual departments within a larger organisation. The Contract and Billing Management functionality has been further refined and is now attracting interest from partners operating in the accounting & payroll services sector.

Following feedback from the November release, the Group launched another major release of its SaaS solution on the 15 March 2011 that packages the functionality into discreet products that are targeted at small, medium and larger types of organisations. It showcases the Group's software products in the best possible light by showing a new prospect only the functionality they have specifically requested.

## **New Clients**

The Group secured an increasing number of blue-chip OnDemand customers throughout the year, including Merseyside Police, Quadratek Consulting Ltd, British Computer Society and Friends Provident.

## **Recurring and Deferred Income**

The level of recurring support income for 2010 fell slightly to £575,000 (2009: £668,000), due to some clients reducing their requirement for supported licences. The reduction of support revenue was also a result of Atlantic Global upgrading existing clients to the SaaS model, securing extra ongoing revenue for the Group in the process. The Group has already secured approximately 69% of its budgeted 2011 support revenue.

The OnDemand contracts delivered during 2010 increased by 179% to £148,000 (2009: £54,000). With £83,000 of SaaS income already in deferred income at the year end, this is a solid recurring revenue base for the Group, especially given the positive indication of monthly revenue intake from the SaaS contacts, and the significant increase in SaaS trials taken up in late 2010 and early 2011.

## **Operating Review**

Atlantic Global's aim for 2010 was to launch a fully automated SaaS platform for customers to trial and adopt without needing to contact Atlantic Global.

As part of the launch, the Group offered customers a 60 day free trial and I am pleased to report that over 300 prospective customers have availed of this opportunity since its launch on the 9 November 2010.

A small number of the trials have converted to paying customers and a number of other trials have progressed to larger sales opportunities that will take longer to close.

The trials have also provided the Group with valuable feedback which formed the basis of the March 15 release. Customer feedback led the Group to strengthen areas of functionality with a view to providing a complete end to end business solution that manages sales enquiries, customer contact information, project execution and billing with integration into back end financial systems. It also saw the introduction of document management which is becoming an increasingly important business requirement in many organisations.

## **Routes to Market**

The products' ease of deployment has made it easier for the Group to partner with other organisations.

The Group has established a partnership with LiveRoute, who are the first dedicated SaaS solution provider based in the Middle East. The Group has agreed a joint marketing initiative with Baker Tilly Revas Limited, the back office outsourcing division of Baker Tilly. Baker Tilly is the eighth largest accounting practice in the UK and an independent member of Baker Tilly International, the eighth largest accounting network in the world.

## **Sales and Marketing**

The Group has increased its marketing budget for 2011 which has been depressed since 2006 whilst the Company adapted the solution to focus on a more receptive and accessible SaaS market.

The Group has commenced the recruitment of sales, customer services and implementation staff, partly to meet increased levels of trading activity.

## **Repurchase of Company Shares**

For a number of years Atlantic Global has maintained relatively high cash levels reflecting the cash generative nature of the business. The return on this surplus cash is increasingly modest and the Directors believe that it could be better used by continuing to repurchase some of the Company's shares for cancellation. The Directors believe this will enhance shareholder value and accordingly shareholder approval will be sought at the forthcoming Annual General Meeting to repurchase up to 10% of the Company's outstanding share capital from time to time. During 2010, the Company repurchased 50,000 shares at a cost of £5,500.

# Chairman's Statement

continued

## **Dividend**

The Directors are not proposing a full year dividend for the year ended 31 December 2010, (2009: nil pence per share). The Directors will return to their progressive dividend policy once there is a return to profitability. The interim dividend was 0.1 pence per share (2009: nil pence per share).

## **Current Trading and Outlook**

A number of contracts expected in 2010 were secured in 2011. In particular the Group secured new contracts with, amongst others, Harvey Nash and SpecSavers as well as customers in the Middle East gained through the partnership with LiveRoute.

For the current year to date, trading is in line with the Board's expectations. There are indications that customers are starting to increase IT spend again. Partners and potential partners are also developing their strategies and are proactively looking for new revenue streams. The latest product launches, current partnership agreements and negotiations with potential partners give the Board confidence that the current year will show an improvement on 2010.

The pipeline of new business prospects is currently strong, as are the possibilities of new partnership opportunities.

## **Annual General Meeting**

We shall be holding our AGM on 19 April 2011 at 2 p.m. at the Group's head office at Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW.

The Board extends the invitation to all shareholders in the hope that as many as possible attend.

## **Staff**

We recognise the skill, and dedication of our employees. The change of strategy has required significant commitment and patience that has put the Group into a strong position where we look forward to a very positive 2011.

## **Adrian Bradshaw**

*Chairman*

22 March 2011

# Directors' Biographies

Brief biographies of the Group's Directors are given below.

## **NON-EXECUTIVE DIRECTORS:**

### **Adrian Bradshaw (54) – Chairman**

**Non-Executive Director:** Adrian Bradshaw is currently, and has been, a director of a number of private and public companies. He previously worked for Citicorp Scrimgeour Vickers, NatWest Markets and Guidehouse Limited, and in 1989 he was appointed head of corporate finance at Arbuthnot Latham Bank. In 1991, he became chief executive officer of Incepta Group PLC before establishing Bradmount Investments Limited in 1993 as a private investment company where he has been involved in a number of flotations, notably GW Pharmaceuticals plc, RWS Group plc, Atlantic Group plc and AssetCo plc. He established a new investment business, Hamilton Bradshaw Capital Partners, with James Caan in November 2010.

## **EXECUTIVE DIRECTORS:**

### **Eugene Blaine (42)**

**Managing Director (and Founder):** Prior to founding Atlantic EC Limited in 1993, Eugene started his career as a developer where he played a major role in the development of Comic Relief's charity administration system. In 1990 he joined Parachute Management Limited as a senior consultant where he developed a project management system responsible for the national rollout of various computer systems across the Employment Service. As Chief Executive of the Group, he is responsible for driving the overall strategy. Eugene works closely with Atlantic's customers and development teams to steer the future direction of the Company's solutions and also with the sales teams to expand its customer base. Eugene's entrepreneurial talent was recognized in both 2003 and 2004 when he reached the finals of the 'Young Entrepreneur of the Year' competition sponsored by Ernst & Young, *The Sunday Times* and the London Stock Exchange.

### **Rupert Hutton (44) FCCA MBA**

**Finance Director & Company Secretary:** Rupert was appointed Finance Director during 2002, having worked with the Group since March 2001. Rupert is responsible for the Group's daily finances, administration, legal and other support functions. Previously he was Group Financial Controller of the Milton Keynes and North Bucks Chamber of Commerce Training and Enterprise, a £10m turnover Group of six private limited companies. Rupert's early career and formal accountancy training took place with Grant Thornton. He has a Masters in Business Administration and is a Fellow of the Association of Chartered Certified Accountants.

### **Paul Gleghorn (38)**

**Technical Director:** Paul has been with the Group since 1996. During this time he has performed both consulting and development roles and has been instrumental in the development of our suite of software products. Appointed Technical Director in April 2004, he continues to ensure that our products remain at the forefront of best technical and business practices. Prior to joining the Group he held developer positions in Procter & Gamble and Spectrum Computer Services Plc. Paul has a BSc Hons degree in Computing with Business.

# Directors' Report

The Directors present their annual report and the audited accounts for the year ended 31 December 2010.

## Principal activities

The Group's principal activity is the development and sale of computer software, its maintenance and related services.

## Business review and future developments

The principal activities of the Company and its subsidiaries are as follows:

Atlantic Global Plc	Group holding Company
Atlantic EC Limited	Development and sale of business management software
Atlantic Global Inc	Dormant
Actualdetail Limited	Dormant

A commentary on the Group's activities and of future developments is included in the Chairman's Statement.

## Dividends and Reserves

The Directors do not propose the payment of a final dividend for the year ended 31 December 2010 (2009:nil p per share). Dividends paid in the year are detailed in note 9.

## Policy and practice on payment of creditors

Whilst the Group does not follow any code or standard on payment practice, its policy is to pay suppliers in accordance with agreed terms. At the end of the period there were nine days supplies in trade payables, (2009: eight days).

## Research and development

The Group researches new and future technologies, keeping abreast of new advances, and continues to develop its software to meet its customers' ever expanding needs.

## Financial risk management

The Directors are confident that the banking facilities currently in place are more than adequate for the working capital requirements. There is no significant exposure to currency risk or credit risk. More details are included in note 19 to the accounts.

## Going concern

Having regard to the FRC guidance issued the Directors have considered the available cash resources of the Group and its current trading forecasts and are satisfied that, on the basis of these considerations, the Group has adequate resources to continue in operational existence for the foreseeable future and so the going concern basis has been adopted in the preparation of these financial statements.

## Principal risks and uncertainties

As a Group with significant cash resources the principal risks that are faced relate to the reduction of customer IT budgets and spending by the current and future client base which may impact directly on the Group's turnover and profitability. This risk is addressed by the ongoing diversification of the product offering, delivery methods and channels and routes to market. This will significantly lessen the Group's dependency on any one customer, sector, product or individual revenue line.

The market in which the Group operates is competitive and the Group addresses this risk by their ongoing development process which ensures that the Group's products maintain their advantages in the current marketplace.

## Directors and Directors' interests

The Directors who held office during the year were as follows:

EA Blaine  
 RG Hutton  
 P Gleghorn  
 AE Bradshaw

EA Blaine and RG Hutton retire by rotation in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-appointment.

According to the register of Directors' interests, the Directors who held office at the end of the financial year had the following interests in the ordinary shares of the Company:

	Class of share	Interest at 31 December 2010	Percentage of total issued share capital	Interest at 1 January 2010
EA Blaine	Ordinary	11,585,267	51.6%	11,585,267
RG Hutton	Ordinary	59,000	0.3%	59,000
P Gleghorn	Ordinary	981,028	4.4%	981,028
AE Bradshaw	Ordinary	722,980	3.2%	722,980

Mr AE Bradshaw's shares include 208,000 shares bought using the Bradmount SSAS.

Share options in issue to Directors at 31 December 2010

	At 1 January 2010 and at 31 December 2010	Exercise price	Exercise dates	
			From	To
RG Hutton	120,000	25p	4 June 2004	3 June 2011
	20,000	25p	7 December 2004	6 December 2011
P Gleghorn	389,328	25p	4 June 2004	3 June 2011
	38,108	27p	19 March 2005	18 March 2012
A E Bradshaw	250,000	16.5p	19 April 2010	19 April 2011

Further details of total share options are analysed in note 17 to the accounts.

## Purchase of own shares

During the year the Company purchased 50,000 of its own ordinary shares (with a nominal value of £2,500) for a consideration of £5,500. These shares were cancelled. The shares represented 0.22% of the total issued share capital as at 31 December 2010.

# Directors' Report

continued

## Major shareholdings

As at 17 March 2011 the Directors were aware of the following interests of over 3% of the issued ordinary share capital of the Company:

Shareholder	Number of shares	% of total issued share capital
EA Blaine	11,585,267	51.6%
Rathbone IM VCT	1,240,000	5.5%
P Gleghorn	981,028	4.4%
SL Howcroft	893,675	4.0%
Leggmason Investors AIM CT Plc	741,000	3.3%
AE Bradshaw	722,980	3.2%

## Third party indemnity provisions

Certain Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

## Political and charitable donations

During the year the Group made no political or charitable contributions.

## Auditors

Grant Thornton UK LLP, offer themselves for reappointment in accordance with the Companies Act 2006.

By order of the board

## RG Hutton

*Company Secretary*

22 March 2011

Maple House  
Woodland Park  
Bradford Road  
Chain Bar  
Cleckheaton  
West Yorkshire  
BD19 6BW

# Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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 prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and elect to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 Group and the Company and the loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- in the Group financial statements state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- in the parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information.

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

# Independent Auditor's Report to the members of Atlantic Global Plc

We have audited the Group financial statements of Atlantic Global plc for the year ended 31 December 2010 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 11, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## **Opinion on financial statements**

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.

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

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

- 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.

# Independent Auditor's Report to the members of Atlantic Global Plc

continued

## **Other matters**

We have reported separately on the parent Company financial statements of Atlantic Global plc for the year ended 31 December 2010.

Andrew Wood  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Leeds

22 March 2011

# Consolidated Statement of Comprehensive Income

for the year ended 31 December 2010

	Notes	2010 £000	2009 £000
<b>Revenue</b>	2	<b>1,166</b>	1,350
Cost of sales		<b>(853)</b>	(927)
<b>Gross profit</b>		<b>313</b>	423
Administration and other operating expenses		<b>(547)</b>	(569)
<b>Operating loss</b>		<b>(234)</b>	(146)
Finance income	6	<b>14</b>	16
<b>Loss before tax</b>		<b>(220)</b>	(130)
Income tax credit	7	<b>30</b>	–
<b>Loss and total comprehensive income for the period attributable to owners of the parent</b>		<b>(190)</b>	(130)
<b>Loss per share</b>			
Basic & diluted (pence)	8	<b>(0.85)p</b>	(0.57)p

## Consolidated statement of changes in equity

for the year ended 31 December 2010

12 months ended 31 December 2010	Share Capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Capital redemption reserve £000	Total £000
Balance brought forward at 1 January 2010	1,123	1,578	2,538	(332)	22	4,929
Dividends Paid	–	–	–	(22)	–	(22)
Share buy back	(2)	–	–	(5)	2	(5)
Transactions with owners	(2)	–	–	(27)	2	(27)
Loss and total comprehensive income for the period	–	–	–	(190)	–	(190)
Balance at 31 December 2010	1,121	1,578	2,538	(549)	24	4,712

12 months ended 31 December 2009	Share Capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Capital redemption reserve £000	Total £000
Balance brought forward at 1 January 2009	1,139	1,578	2,538	(59)	6	5,202
Dividends Paid	–	–	–	(91)	–	(91)
Share buy back	(16)	–	–	(52)	16	(52)
Transactions with owners	(16)	–	–	(143)	16	(143)
Loss and total comprehensive income for the period	–	–	–	(130)	–	(130)
Balance at 31 December 2009	1,123	1,578	2,538	(332)	22	4,929

# Consolidated Balance Sheet

as at 31 December 2010

	Note	2010 £000	2009 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	11	2,792	2,792
Property, plant and equipment	12	8	13
Deferred tax asset	13	52	52
<b>Total non-current assets</b>		<b>2,852</b>	2,857
<b>Current assets</b>			
Trade and other receivables	14	359	507
Income tax receivable		16	12
Cash and cash equivalents	15	2,036	2,032
		<b>2,411</b>	2,551
<b>Total assets</b>		<b>5,263</b>	5,408
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	551	479
<b>Total liabilities</b>		<b>551</b>	479
<b>Equity attributable to owners of the parent</b>			
Share capital	18	1,121	1,123
Share premium account		1,578	1,578
Merger reserve		2,538	2,538
Retained earnings		(549)	(332)
Capital redemption reserve		24	22
<b>Total equity</b>		<b>4,712</b>	4,929
<b>Total equity and liabilities</b>		<b>5,263</b>	5,408

These financial statements were approved by the board of Directors on 22 March 2011 and were signed on its behalf by:

**EA Blaine**  
Managing Director

**RG Hutton**  
Finance Director and Company Secretary

# Consolidated Cash Flow Statement

for the year ended 31 December 2010

	Note	2010 £000	2009 £000
<b>Cash flows from operating activities</b>			
Loss for the year		(190)	(130)
<i>Adjustments for:</i>			
Financial income		(14)	(16)
Income tax		(30)	–
Depreciation		7	10
Operating loss before changes in working capital and provisions		(227)	(136)
Decrease in trade and other receivables		148	429
Increase/(decrease) in trade and other payables		72	(202)
Income tax received/(paid)		26	(83)
<b>Net cash from operating activities</b>		<b>19</b>	<b>8</b>
<b>Cash flows from investing activities</b>			
Interest received		14	16
Purchase of property, plant and equipment		(2)	(8)
<b>Net cash from investing activities</b>		<b>12</b>	<b>8</b>
<b>Cash flows from financing activities</b>			
Purchase of own shares		(5)	(52)
Dividends paid		(22)	(91)
<b>Net cash used in financing activities</b>		<b>(27)</b>	<b>(143)</b>
Net increase/(decrease) in cash and cash equivalents		4	(127)
Cash and cash equivalents at the beginning of the period		2,032	2,159
<b>Cash and cash equivalents at the end of the period</b>	15	<b>2,036</b>	2,032

**1 Accounting policies**

**Significant accounting policies**

Atlantic Global Plc (the “Company”) is a public limited Company incorporated in the UK. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The parent Company financial statements present information about the Company as a separate entity and not about its Group.

The accounting policies set out below have been applied consistently to all periods presented in these Group financial statements. The accounting policies have been applied consistently by Group entities.

***Basis of preparation***

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”). The Company has elected to prepare its parent Company financial statements in accordance with UK GAAP. These parent Company statements appear after the notes to the consolidated financial statements.

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling, rounded to the nearest thousand.

**Significant judgements and estimates**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The Directors consider that the key judgements and sources of estimation made in preparation of the financial statements are:

**Intangible assets – Goodwill**

Tests have been undertaken using commercial judgements and a number of assumptions and estimates have been made to support their carrying amounts, assessed against discounted cash flows. The details of these assumptions are set out in note 11.

**Capitalisation of development expenditure**

The Directors review all development expenditure to ascertain whether it meets all the criteria of IAS38 and so requires capitalisation.

**Revenue recognition**

Certain of the Group’s contracts for licences, professional services and maintenance services have a term of more than one year and do not fairly attribute value of each type of service or timing of that service. The Directors assess the fair value of the entire contract attributable to each of the different separately identifiable components of the transaction and the timing of when revenues should be recognised and this assessment can differ from the legally contracted values.

# Notes to the Accounts

relating to the consolidated financial statements continued

## 1 Accounting policies (continued)

### **New standards**

As of 31 December 2010, the following standards and interpretations are in issue but are not yet effective:

- FRS 9 Financial Instruments (effective 1 January 2013)
- IAS 24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)
- Amendment to IAS 32 Classification of Rights Issues (effective 1 February 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)
- Prepayments of a Minimum Funding Requirement – Amendments to IFRIC 14 (effective 1 January 2011)
- Improvements to IFRS issued May 2010 (some changes effective 1 July 2010, others effective 1 January 2011)
- Disclosures – Transfers of Financial Assets – Amendments to IFRS 7 (effective 1 July 2011)
- Deferred Tax: Recovery of Underlying Assets – Amendments to IAS 12 Income Taxes (effective 1 January 2012)

The effect of the adoption of these new standards is expected to be presentational only.

### **Basis of consolidation**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All intra-Group balances and transactions, including unrealised profits and losses arising from intra-Group transactions, are eliminated fully on consolidation.

### **Revenue recognition**

Revenue represents the fair value of the consideration received or receivable on the sales of licences, support and services contracts excluding sales related taxes made during the period to external customers.

Revenues are recognised on the basis of the performance of contractual obligations and to the extent that the right to consideration has been earned.

Revenue from the sale of software licences is recognised only when the software is installed, provided that the payment terms are unconditional, full payment is contractually binding and there are no material contract conditions or warranties. Revenue from chargeable services including consultancy, customisation and development is recognised as these services are performed. Support income is recognised evenly over the life of each support contract.

**1 Accounting policies (continued)**

***Property, plant and equipment***

Property, plant and equipment are held at cost less accumulated depreciation and impairment charges.

Depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives (on the straight line basis) as follows:

Computer and office equipment	–	20% - 33.3% per annum
Short leasehold improvements	–	33.3% per annum

Material residual value estimates are updated as required, but at least annually.

***Intangible assets – Goodwill***

Goodwill represents the excess of the consideration transferred over the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units. Goodwill is tested for impairment annually and where there is an indication of impairment. If impaired, goodwill is written down to its recoverable amount.

***Impairment***

The carrying amount of the Group's non-financial assets (other than goodwill), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use. For the purposes of assessing impairments, assets are grouped at the lowest levels for which there are identifiable cash flows.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (Group of units) and then, to reduce the carrying amount of the other assets of the unit (Group of units) on a pro-rata basis.

***Financial instruments***

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

# Notes to the Accounts

relating to the consolidated financial statements continued

## 1 Accounting policies (continued)

### **Trade and other receivables**

Trade receivables are initially recognised at fair value and are subsequently carried at amortised cost. Where debtor balances are considered to be irrecoverable an impairment charge is recognised in profit or loss.

### **Trade payables**

Trade payables are not interest-bearing and are stated at their fair value net of direct issue costs and are subsequently measured at amortised cost.

### **Post retirement benefits**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to profit or loss represents the contributions payable to the scheme in respect of the accounting period.

### **Research and development costs**

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs incurred on specific projects are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available for use or sale
- the Group intends to complete the intangible asset and use or sell it
- the Group has the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably

Development costs not meeting the criteria for capitalisation are expensed as incurred.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date. In addition, all internal activities related to the research and development of new software products are continuously monitored by the Directors.

**1 Accounting policies (continued)**

***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Current tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity and tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in previous years.

Deferred tax is provided using the balance sheet liability method (using rates enacted at the balance sheet date), providing for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which an asset can be utilised. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity and deferred tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

***Leases***

Leases where the lessor retains substantially all of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases rentals are charged to profit or loss on a straight line basis over the term of the lease.

***Equity settled share based payments***

All share based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2006 are recognised in the financial statements.

The fair value of awards to employees that take the form of shares or rights to shares is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date using an option pricing model. If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

# Notes to the Accounts

relating to the consolidated financial statements continued

## 1 Accounting policies (continued)

### Equity

Equity comprises the following:

- “Share capital” represents the nominal value of equity shares.
- “Share premium” represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- “Merger reserve” represents the excess over nominal value of the fair value of consideration attributed to equity shares issued in part settlement for subsidiary Company shares acquired.
- “Retained earnings” represents retained profits.
- “Capital Redemption reserves” represents the nominal value of shares purchased by the Company.

## 2 Segment analysis

### Operating segments

There is considered to be only one operating segment of the Group based on the information provided to the Chief Operating Decision Maker (considered to be the board of Directors) as discrete financial information in relation to the profitability of the different revenue streams is not available.

The split of revenue by type is as follows:

	<b>2010</b>	2009
	<b>£000</b>	£000
Sale of goods		
Licence sales	<b>172</b>	202
Sale of services		
Support services	<b>575</b>	668
Service sales	<b>271</b>	426
On Demand - (Software as a Service)	<b>148</b>	54
	<b>1,166</b>	1,350

The Group derived 8% (2009: 3%) of its revenue from customers outside the UK.

No non-current assets are located outside the UK.

During the year ended 31 December 2010 the Group derived 9% of its total turnover from one client in the pharmaceutical industry (2009: 17%) and 13% from one client in the service industry (2009: 17%). No other customers represented more than 10% of total turnover in either year.

# Notes to the Accounts

relating to the consolidated financial statements continued

### 3 Expenses and auditor's remuneration

Included in losses are the following:

	<b>2010</b>	2009
	<b>£000</b>	£000
Depreciation of owned plant and equipment	<b>7</b>	10
Operating leases rentals – buildings	<b>43</b>	43
Research and development expenditure	<b>402</b>	403

#### Auditor's remuneration:

	<b>2010</b>	2009
	<b>£000</b>	£000
<b>Group</b>		
Audit	<b>5</b>	5
Fees paid to auditor in relation to taxation	<b>4</b>	4
Other services – audit of subsidiary	<b>6</b>	6
<b>Company</b>		
Audit	<b>4</b>	4

### 4 Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	<b>Number of employees</b>	
	<b>2009</b>	2008
Development	<b>9</b>	10
Sales and marketing	<b>7</b>	10
Administration	<b>3</b>	3
	<b>19</b>	23

The aggregate payroll costs of these persons were as follows:

	<b>2010</b>	2009
	<b>£000</b>	£000
Wages and salaries	<b>728</b>	879
Social security costs	<b>79</b>	94
Pension costs	<b>34</b>	35
	<b>841</b>	1,008

# Notes to the Accounts

relating to the consolidated financial statements continued

## 5 Remuneration of Directors

The remuneration of the Directors is shown in the table below. Amounts paid in respect of A E Bradshaw are paid to a third party.

The total employers national insurance paid in respect of Directors was £19k (2009:£20k).

	Salary and fees £000	Benefits £000	Total emoluments excluding pensions 2010 £000	Total emoluments excluding pensions 2009 £000	Pension contributions 2010 £000	Pension contributions 2009 £000
E A Blaine	85	–	85	83	8	8
RG Hutton	52	1	53	54	2	2
P Gleghorn	59	1	60	58	3	3
A E Bradshaw	20	–	20	20	–	–
	216	2	218	215	13	13

## 6 Finance income

*Recognised in profit or loss*

	2010 £000	2009 £000
Interest income on bank deposits	14	16

## 7 Income tax expense

**Recognised in the income statement**

	2010 £000	2009 £000
<b>Current tax expense</b>		
Adjustments for prior years	(30)	43
	(30)	(43)
<b>Deferred tax expense</b>		
Adjustments for prior years	–	(43)
	–	(43)
Total tax in income statement	(30)	–

**Reconciliation of tax credit to the loss for the year**

	2010 £000	2009 £000
Loss before tax for the period	(220)	(130)
Tax using the UK corporation tax rate of 28% (2009: 28%)	(62)	(36)
Tax losses not utilised	62	36
Adjustments for prior years	(30)	–
Total tax credit	(30)	–

**8 Loss per share**

**Basic loss per share**

The calculation of basic loss per share at 31 December 2010 was based on the loss attributable to ordinary shareholders of £(190,000) (2009: £(130,000)) and a weighted average number of ordinary shares outstanding of 22,447,103 (2009: 22,664,024).

**Diluted loss per share**

There is no difference between basic and diluted loss per share.

**9 Dividends**

Details of the dividend payments made during the year are set out below

	2010 £000	2009 £000
Dividend paid 5 November 2010 of 0.1p per share (paid 15 May 2009 of 0.4p per share)	<b>22</b>	91

The aggregate amount of dividends proposed and not recognised as liabilities as at the year end is nil p per share.

**10 Investments**

The Company's subsidiary undertakings, each of which is wholly owned, are as follows:

Subsidiary undertaking	Principal activity	Country of registration	Registered number
Atlantic EC Limited	Software development and sales	England and Wales	4157160
Actualdetail Limited	Dormant	England and Wales	2780307
Atlantic Global Inc	Dormant	USA	—

**11 Intangible assets**

	Goodwill £000
<b>Cost</b>	
Balance at 1 January 2009	2,792
Balance at 31 December 2009	2,792
Balance at 31 December 2010	2,792
<b>Accumulated impairment</b>	
Balance at 1 January 2009	—
Balance at 31 December 2009	—
Balance at 31 December 2010	—
<b>Net book value</b>	
At 1 January 2009	2,792
At 31 December 2009	2,792
<b>At 31 December 2010</b>	<b>2,792</b>

# Notes to the Accounts

relating to the consolidated financial statements continued

## 11 Intangible assets (continued)

The Group tests goodwill twice annually for impairment, or more frequently if an event occurs to warrant a review. The goodwill is considered to relate to the entire operations of Atlantic EC Limited and so this is treated as a single cash generating unit (CGU). The recoverable amounts attributed are based on value in use calculations.

The key assumptions made in undertaking the value in use calculations are set out below.

Budgeted profit and cash flow forecasts for the financial years ending 31 December 2011-13 were extrapolated using sector growth assumptions and used as the basis of the calculations. The key assumption included within these is a return to profitability in 2011 and beyond. The forecasts have been based on the levels of order activity being experienced and the expectations for the Group's expanded product offerings following the extensive development work carried out in 2010.

A discount rate of 10% pa has been used which reflects the current view of the Group's weighted average cost of capital.

Sector growth rate assumptions; 2% based on independent estimates of industry specific growth rates, where available.

The Directors consider that the key assumption relates to future forecast profitability and that performance significantly below these forecasts would mean that the recoverable amount of goodwill would not exceed its carrying value. Based on their current expectations for the next three years they do not believe such a significant underperformance against forecasts is reasonably possible.

## 12 Property, plant and equipment

	Short leasehold improvements £000	Computer and office equipment £000	Total £000
<b>Cost</b>			
Balance at 1 January 2009	3	199	202
Additions	–	8	8
Balance at 31 December 2009	3	207	210
Balance at 1 January 2010	3	207	210
Additions	–	2	2
Balance at 31 December 2010	3	209	212
<b>Depreciation and impairment</b>			
Balance at 1 January 2009	3	184	187
Depreciation charge for the year	–	10	10
Balance at 31 December 2009	3	194	197
Balance at 1 January 2010	3	194	197
Depreciation charge for the year	–	7	7
Balance at 31 December 2010	3	201	204
<b>Net book value</b>			
At 1 January 2009	–	15	15
At 31 December 2009	–	13	13
<b>At 31 December 2010</b>	<b>–</b>	<b>8</b>	<b>8</b>

**13 Deferred tax assets**

*Recognised deferred tax assets*

Deferred tax assets are attributable to the following:

	Trading losses £000	Total £000
Recognised asset		
At 1 January 2009	9	9
Credited to income statement	43	43
At 1 January 2010	52	52
Charged to income statement	–	–
At 31 December 2010	<b>52</b>	<b>52</b>

The deferred tax asset above has been based on forecast taxable profits for the years ending 31 December 2011 and 31 December 2012.

**14 Trade and other receivable**

	2010 £000	2009 £000
Trade receivables	<b>296</b>	443
Prepayments and accrued income	<b>63</b>	64
	<b>359</b>	507

**15 Cash and cash equivalents**

	2010 £000	2009 £000
Cash and cash equivalents	<b>2,036</b>	2,032
Cash and cash equivalents per cash flow statement	<b>2,036</b>	2,032

**16 Trade and other payables**

	2010 £000	2009 £000
Trade payables	<b>41</b>	26
Social security and other taxes	<b>56</b>	79
Accruals and deferred income	<b>454</b>	374
	<b>551</b>	479

# Notes to the Accounts

relating to the consolidated financial statements continued

## 17 Employee benefits

### Defined contribution plans

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £34,000 (2009: £35,000)

### Share-based payments

As at 31 December 2010 the following options had been granted and were still outstanding under the Company's Share Option Schemes.

	Date granted	No. of shares	Exercise price	From	Exercise dates	To
Director	4 June 2001	509,328	25.0	4 June 2004	3 June 2011	
Director	7 December 2001	20,000	25.0	7 December 2004	6 December 2011	
Director	19 March 2002	38,108	27.0	19 March 2005	18 March 2012	
Director	18 April 2010	500,000	16.5	18 April 2010	18 April 2011	
Employee	4 June 2001	493,936	25.0	4 June 2004	3 June 2011	
Employee	5 September 2001	60,000	25.0	5 September 2004	4 September 2011	
Employee	7 December 2001	20,000	25.0	7 December 2004	6 December 2011	
Employee	19 March 2002	34,662	27.0	19 March 2005	18 March 2012	
Ex Director	4 June 2001	206,464	25.0	4 June 2004	3 June 2011	
Ex Director	19 March 2002	20,270	27.0	19 March 2005	18 March 2012	
<b>Total</b>		<b>1,902,768</b>				

The number and weighted average exercise prices of share options are as follows:

Date granted	2010		2009	
	Weighted Average Exercise price (pence)	Number of options	Weighted Average Exercise price (pence)	Number of options
Outstanding at 1 January 2010	23.2	1,948,222	24.9	1,598,222
Granted during the year	16.5	500,000	15.5	400,000
Lapsed during the year	26.3	(545,454)	16.0	(50,000)
Outstanding at 31 December 2010	22.6	1,902,768	23.2	1,948,222
Exercisable at 31 December 2010	22.6	1,902,768	25.7	1,548,222

The options outstanding at the end of the year have an exercise price in the range of 16.5 pence to 27.0 pence, and a weighted average contractual life of 0.3 years. The Black Scholes model has been used to measure the estimate of the fair value of the services received in return for share options granted.

Share options have been granted under the Atlantic Global Plc Enterprise Management Incentive Plan (approved by the Inland Revenue) and under the Atlantic Global Plc Unapproved share option plan. All options have been granted at the market value of Atlantic Global Plc ordinary shares at the date of the grant.

No charge has been recognised in the financial statements for the share options issued in the year as all lapsed during the year.

**18 Share capital**

	<b>2010</b>	2009
	<b>£000</b>	£000
<b>Authorised</b>		
75,000,000 Ordinary shares of 5p each	<b>3,750</b>	3,750
<b>Allotted, called up and fully paid</b>		
22,421,350 (2009: 22,471,350) Ordinary shares of 5p each	<b>1,121</b>	1,123

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The movement in shares in the year relates to the purchase of 50,000 ordinary shares of 5p by the Company.

**19 Financial instruments**

**Overview**

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- interest rate risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, investment securities and cash holdings.

**Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

# Notes to the Accounts

relating to the consolidated financial statements continued

## 19 Financial instruments (continued)

### Capital management

The Board's policy is to maintain a strong capital base (by consideration of ongoing dividend policy and levels of share buybacks in the context of current profitability) so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital and the level of dividends to ordinary shareholders.

There were no changes in the Group's approach to capital management during the year and the levels of dividends paid in the year and share buybacks were based on the Group results for the current year and the availability of available reserves with which to make such transactions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

### Financial assets and liabilities

The Group's activities are principally financed by cash at bank.

Summary of financial assets and liabilities by category:

Loans and other receivables

	<b>2010</b>	2009
	<b>£000</b>	£000
Cash and cash equivalents	<b>2,036</b>	2,032
Trade and other receivables excluding prepayments	<b>296</b>	443
	<b>2,332</b>	2,475
Current liabilities		
Trade payables: financial liabilities measured at amortised cost	<b>41</b>	26
Other short term financial liabilities	<b>57</b>	53
	<b>98</b>	79

### Credit risk

*Exposure to credit*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<b>Carrying amount</b>	
	<b>2010</b>	2009
	<b>£000</b>	£000
Cash and cash equivalents	<b>2,036</b>	2,032
Trade and other receivables excluding prepayments	<b>296</b>	443
	<b>2,332</b>	2,475

# Notes to the Accounts

relating to the consolidated financial statements continued

## 19 Financial Instruments (continued)

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount	
	2010 £000	2009 £000
United Kingdom	286	423
Europe	10	20
	<b>296</b>	<b>443</b>

All of the Group's trade and other receivables have been reviewed for indicators of impairment. An impairment provision of £nil (2009:£nil) has been made against specific balances.

In addition, some of the unimpaired trade receivables are past due as at the reporting date. The age of the trade receivables past due but not impaired are as follows:

	2010 £000	2009 £000
Not past due	212	392
Past due 0-30 days	84	4
Past due 31-120 days	-	10
Past due 120 days+	-	37
	<b>296</b>	<b>443</b>

### Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

#### 31 December 2010

	Carrying amount £000	Contractual cash flows £000	6 mths or less £000	6-12 mths £000
<b>Non-derivative financial liabilities</b>				
Trade and other payables	98	98	98	-

#### 31 December 2009

	Carrying amount £000	Contractual cash flows £000	6 mths or less £000	6-12 mths £000
<b>Non-derivative financial liabilities</b>				
Trade and other payables	79	79	79	-

Liquidity needs are managed by regular review of the timing of expected receivables and the maintenance of cash on deposit.

# Notes to the Accounts

relating to the consolidated financial statements continued

## 19 Financial Instruments (continued)

### *Interest rate risk*

There are no borrowings within the Group. The Group has significant levels of cash deposits and the interest rate is monitored on an ongoing basis to ensure a reasonable return is received in line with the Group's working capital requirements.

### *Currency risk*

The Group has no material foreign currency risk.

### *Interest rate and currency profile*

The Group's financial assets comprise cash at bank and short-term investments. At 31 December 2010 the average interest rate earned on the temporary closing balances was 1.25% (2009: 1.25%).

### **Fair values versus carrying amounts**

There is no material difference between fair values and carrying amounts of financial assets and liabilities.

## 20 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	<b>2010</b>	2009
	<b>Land and</b>	Land and
	<b>buildings</b>	buildings
	<b>£000</b>	£000
Within one year	<b>43</b>	43
Between one and five years	<b>43</b>	86
	<b>86</b>	129

## 21 Capital commitments

There were no capital commitments existing at 31 December 2010 or 31 December 2009.

## 22 Related parties

There have been no related party transactions during the year.

# Independent Auditor's Report to the Members of Atlantic Global plc

We have audited the parent Company financial statements of Atlantic Global plc for the year ended 31 December 2010 which comprise the parent Company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 11, the Directors are responsible for the preparation of the parent Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## **Opinion on financial statements**

In our opinion the parent Company financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2010;
- 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.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent Company financial statements.

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

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

## **Other matters**

We have reported separately on the Group financial statements of Atlantic Global plc for the year ended 31 December 2010.

Andrew Wood  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Leeds  
22 March 2011

# Company Balance Sheet

at 31 December 2010

	Note	2010		2009	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Investments	27		<b>4,127</b>		4,127
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	28	<b>1,222</b>		1,219	
		<b>1,222</b>		1,219	
<b>Net current assets</b>			<b>1,222</b>		1,219
<b>Net assets</b>			<b>5,349</b>		5,346
<b>Capital and reserves</b>					
Called up share capital	29		<b>1,121</b>		1,123
Share premium account	30		<b>1,578</b>		1,578
Merger reserve	30		<b>2,538</b>		2,538
Profit and loss account	30		<b>88</b>		85
Capital redemption reserve	30		<b>24</b>		22
<b>Equity shareholders' funds</b>			<b>5,349</b>		5,346

These financial statements were approved by the board of Directors on 22 March 2011 and were signed on its behalf by:

**EA Blaine**  
Managing Director

**RG Hutton**  
Finance Director and Company Secretary

## 23 Company accounting policies

### ***Basis of preparation***

As used in the financial statements and related notes, the term 'Company' refers to Atlantic Global Plc. The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by the Act, the separate financial statements have been prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP).

These accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

A separate profit and loss account dealing with the results of the Company only has not been presented, as permitted by section 408 of the Companies Act 2006.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

### ***Investments***

Fixed asset investments are stated at cost less provision for impairment where appropriate. The Directors consider annually whether a provision against the value of investments on an individual basis is required. Such provisions are charged in the profit and loss account in the year.

### ***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in the statement of total recognised gains and losses, in which case it is recognised in the statement of total recognised gains and losses.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is recognised on an undiscounted basis.

### ***Share based payments***

The fair value of awards to employees that take the form of shares or rights to shares is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread evenly over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

# Notes to the Accounts

relating to the Company financial statements

## 24 Expenses and auditors' remuneration

The audit fee for the Company was £4,000 (2009: £4,000).

## 25 Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	<b>Number of employees</b>	
	<b>2010</b>	2009
Directors	<b>4</b>	4

The aggregate payroll costs of these persons were as follows:

	<b>2010</b>	2009
	<b>£000</b>	£000
Wages and salaries	<b>196</b>	192
Social security costs	<b>23</b>	22
Other pension costs	<b>13</b>	13
	<b>232</b>	227

	<b>2010</b>	2009
	<b>£000</b>	£000
Directors' emoluments	<b>218</b>	215
Company contributions to money purchase pension schemes	<b>13</b>	13
Amounts paid to third parties in respect of Directors' services	<b>20</b>	20
	<b>251</b>	248

## 26 Dividends

Details of the dividend payments made during the year are set out below

	<b>2010</b>	2009
	<b>£000</b>	£000
Dividend paid 5 November 2010 of 0.1p per share (paid 15 May 2009 of 0.4p per share)	<b>22</b>	91
	<b>22</b>	91

The aggregate amount of dividends proposed and not recognised as liabilities as at the year end is nil p per share.

# Notes to the Accounts

relating to the Company financial statements continued

## 27 Fixed asset investments

	<b>Shares in Group undertakings £000</b>
<b>Cost and net book value</b>	
At start and end of year	4,127

The Company's principal subsidiary undertakings, each of whom are all wholly owned, are registered in England and Wales, and the United States as specified, are as follows:

	<b>Principal activity</b>	<b>Country of registration</b>	<b>Registered number</b>
Atlantic EC Limited	Software development and sale	England & Wales	4157160
Actualdetail Limited	Dormant	England & Wales	2780307
Atlantic Global Inc	Dormant	USA	–

## 28 Debtors

	<b>2010 £000</b>	2009 £000
Amounts owed by group undertakings	<b>1,222</b>	1,219

Amounts owed by Group undertakings are due in more than one year.

## 29 Called up share capital

	<b>2010 £000</b>	2009 £000
<b>Authorised</b>		
75,000,000 ordinary shares of 5p each	<b>3,750</b>	3,750
<b>Allotted, called up and fully paid</b>		
22,421,350 (2009: 22,471,350) ordinary shares of 5p each	<b>1,121</b>	1,123

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The movement in shares in the year relates to the purchase of 50,000 ordinary shares of 5p each by the Company.

## 30 Share premium and reserves

	<b>Capital Redemption reserve £000</b>	<b>Share premium account £000</b>	<b>Company merger reserve £000</b>	<b>Profit and loss account £000</b>
At beginning of period	22	1,578	2,538	85
Profit for the period	–	–	–	30
Share Buy back	2	–	–	(5)
Dividend paid	–	–	–	(22)
<b>At end of period</b>	<b>24</b>	<b>1,578</b>	<b>2,538</b>	<b>88</b>

# Notes to the Accounts

relating to the Company financial statements continued

## 31 Reconciliation of movement in shareholders' funds

	2010 £000	2009 £000
Profit for the financial year	30	34
Dividends paid	(22)	(91)
Share Buy back	(5)	(52)
Reduction in share capital	(2)	(16)
Capital redemption	2	16
	3	(109)
Opening shareholders' funds	5,346	5,455
<b>At end of period</b>	<b>5,349</b>	<b>5,346</b>

## 32 Pension scheme

### ***Defined contribution pension scheme***

The Group operates a defined contribution pension scheme as well as making contributions to the Personal Pension Schemes of a certain employee. The pension cost charge for the period represents contributions payable by the Company and amounted to £13,000 (2009: £13,000).

There were outstanding contributions to be paid over at the year end of £nil (2009: £nil).

## 33 Employee share schemes

### **Share-based payments**

See note 17 for details of share based payments.

# Five Year Financial Summary

<b>Year ended 31 December</b>	<b>2010</b>	2009	2008	2007	2006
	<b>£000</b>	£000	£000	£000	£000
<b>Profit and Loss</b>					
Turnover	<b>1,166</b>	1,350	2,176	2,303	1,961
Gross Profit	<b>313</b>	423	990	864	657
Admin expenses	<b>(547)</b>	(569)	(686)	(659)	(770)
Interest receivable	<b>14</b>	16	97	81	62
(Loss)/profit before taxation	<b>(220)</b>	(130)	401	286	(51)
Taxation	<b>(30)</b>	–	81	(53)	103
(Loss)/profit after taxation	<b>(190)</b>	(130)	320	233	52
Declared Dividends	<b>(22)</b>	–	(148)	(68)	–
<b>Cash</b>					
Net available cash	<b>2,036</b>	2,032	2,159	1,546	1,600
<b>Statistics</b>					
(Loss)/earnings per share	<b>(0.85)</b>	(0.57)p	1.40p	1.02p	0.23p
Dividend per share Full year	–	–	0.40p	0.30p	–
Dividend per share – Half year	<b>0.10p</b>	–	0.25p	–	–
Research & Development Expenditure (£000)	<b>402</b>	403	386	336	329
Number of Employees	<b>19</b>	23	24	27	26
<b>Market information</b>					
Share price at year end	<b>16.5p</b>	16.5p	17.5p	13.5p	13.5p
Market capitalisation (£m)	<b>£3.7</b>	£3.7	£4.0	£3.1	£3.1

# Investor Relations

Atlantic Global recognises the importance of communication flow between the Group and its Shareholders. The information contained in this Annual Report and Accounts is seen as a source of this communication. Our website allows us to update the flow of information and the website address is given below, alongside the email address for the Company Secretary.

Our Annual General Meeting offers an opportunity for the Company to meet the Shareholders. Further details are provided in the Notice to the Meeting below.

The Directors are happy to be contacted by our Shareholders at any time during the year and hope that this will assist in the ongoing relationships that each wishes to develop.

We have shown below general information that may be of use.

## **1 Registrar details and Shareholder queries**

All enquiries relating to individual shareholder matters should be made to the Registrar at:

Capita Registrars  
Shareholder Services Department  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

Tel: 0870 162 3100

Fax: 020 8639 2342

E-mail: [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)

The Registrars will help with queries regarding personal holdings including:

- Change of name or address
- Lost certificates
- Transfer of shares
- Bereavement

All correspondence should be marked "Atlantic Global Plc" and please quote the full name and address in which the shares are registered.

Shareholder information is also available at the Registrar's website: [www.capitaregistrars.com](http://www.capitaregistrars.com)

## **2 Shareholder enquiries**

- To Atlantic Global – Please contact Rupert Hutton, our Finance Director & Company Secretary:  
Tel: 01274 863300  
E-mail: [rupert.hutton@atlantic-global.com](mailto:rupert.hutton@atlantic-global.com)
- Website address: [www.atlantic-global.com](http://www.atlantic-global.com)

The website includes details about the Group's range of software for business solutions, further Company news and investor sections.

### 3 Dealing references

The ordinary shares of Atlantic Global Plc are listed on the Alternative Investment Market of the London Stock Exchange (AIM). Our dealing codes and reference numbers are as follows:

- TIDM code: ATL.L
- SEDOL number: 3041954
- ISIN number: GB0030419542

### 4 Market makers & normal market size

Atlantic Global Plc has one Market Makers who deal in our ordinary shares:

- Winterflood Securities Limited

The normal market size in which our ordinary shares are dealt is 1,000.

### 5 Investor internet addresses

Shareholders may be interested in the further information regarding the Group shown on the following websites, amongst others:

- The London Stock Exchange: [www.londonstockexchange.com](http://www.londonstockexchange.com)
- Hemscott Group Limited: [www.hemscott.net](http://www.hemscott.net)
- Plus Markets Group: [www.plus-sx.com/companies](http://www.plus-sx.com/companies)

### 6 Share price listings

Atlantic Global Plc share price is listed in the following newspapers:

- Yorkshire Post

### 7 Unsolicited mail

The Company is legally obliged to make details of its share register available to other organisations. Therefore, some shareholders may receive unsolicited mail. Shareholders who wish to limit the receipt of such mail should contact:

The Mailing Preference Service  
Freepost 22  
London  
W1E 7EZ

Website address: <http://www.mpsonline.org.uk/mpsr/>

# Investor Relations

continued

## **8 Copies of Atlantic Global Report and Accounts**

Further copies of the interim and annual reports of the Company are available from:

Mr R Hutton, Finance Director & Company Secretary, Atlantic Global Plc, Maple House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW

- Website address: [www.atlantic-global.com](http://www.atlantic-global.com)
- Email: [info@atlantic-global.com](mailto:info@atlantic-global.com)

## **9 Financial calendar**

Annual General Meeting:	19 April 2011
Announcement and issue of half-year results to 30 June 2011:	September 2011
Preliminary announcement for the annual results to 31 December 2011:	March 2012
Posting of the annual report and accounts to 31 December 2011:	March 2012

# Notice of Annual General Meeting

Notice is hereby given that the eighth Annual General Meeting of the Company will be held at the Company's registered office at, Maple House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW on 19 April 2011 at 2.00 p.m. for the following purposes:

## Ordinary Business

1. To receive and adopt the Company's accounts and reports of the Directors and auditors for the period ended 31 December 2010.
2. To re-appoint Messrs Grant Thornton UK LLP as auditors of the Company, to hold office until the conclusion of the next general meeting at which the accounts are laid before the Company and to authorise the Directors to fix their remuneration.
3. To receive Eugene Blaine's retirement as Director of the Company and to re-elect him to the Board of Directors of the Company.
4. To receive Rupert Hutton's retirement as Director of the Company and to re-elect him to the Board of Directors of the Company.

## Special Business

To consider and if thought fit, pass the following resolutions as ordinary resolutions.

5. (i) "THAT the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") (in substitution for any existing authority to allot relevant securities) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 560 of the Act) up to a maximum nominal amount of £400,000, provided that such authority shall expire on 29 July 2012, or such earlier time as this authority shall next be revoked or varied by the Company in general meeting, but so that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired; and further
- (ii) THAT, the board be and it is hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the said Act) in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them up to an aggregate nominal amount of £379,000 provided that this authority shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired."

To consider and, if thought fit, pass the following resolutions as special resolutions.

6. "THAT, subject to the passing of resolution 5 as set out in the notice of this meeting, the Directors be empowered pursuant to section 570 of the Companies Act 2006 (the "Act") (in substitution for any existing authority to allot relevant securities) to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the general authority conferred by resolution 5 as set out in the notice of this meeting and be empowered pursuant to section 573 of the Companies Act 2006 to sell ordinary shares (as defined in section 560 of the Act) held buy the Company as treasury shares (as defined in section 724 of the Companies Act 2006) as if section 561(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to allotments of equity securities and the sale of treasury shares:
  - a. in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors

# Notice of Annual General Meeting

continued

may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;

- b. in connection with the Company's existing employee share schemes; and
- c. otherwise than pursuant to sub-paragraphs (a) and (b) above, up to an aggregate nominal amount of £57,250;

and such power shall expire at the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution or such earlier time as this authority shall next be revoked or varied by the Company in general meeting, but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired."

7. "THAT the Company be generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693 of the Companies Act 2006) of ordinary shares of 5p each in the capital of the Company (ordinary shares) provided that:

the maximum number of ordinary shares hereby authorised to be purchased is 2,242,135 (representing 10% of the Company's issued ordinary share capital at 22 March 2011);

the minimum price, exclusive of any expenses, which may be paid for an ordinary share is 5p;

the maximum price, exclusive of any expenses, which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased;

the authority hereby conferred shall expire on the earlier of 4 November 2012 or at the close of the annual general meeting of the Company to be held in 2012;

the Company may make a contract for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares in pursuance of such a contract as if such authority had not expired.

By order of the Board of Directors

**R Hutton**

*Company Secretary*

Dated this day 22 March 2011

## Notes

1. Any member of the Company entitled to attend, speak and vote at the above mentioned meeting may appoint one or more proxies to attend, speak and, on a poll, vote instead of that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person should he/she subsequently decide to do so.
2. To be valid the instrument appointing a proxy and any authority under which it is executed (or a copy of the same certified notari ally) must be deposited at the registered office of the Company not less than 48 hours (excluding any part of a day which is not a working day) before the time of the meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders who hold shares in uncertificated form must be entered on the Company's register at not less than 48 hours before the time scheduled for the AGM in order to be entitled to attend and vote at the Annual General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. A copy of the balance sheet and every document required by law to be annexed to it, which are to be laid before the above mentioned meeting, are enclosed. The statutory registers are available for inspection during normal business hours without charge at Maple House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW.
5. A copy of the Directors' service contracts referred to in section 228 of the Companies Act 2006) will be available for inspection by any member at the registered office of the Company during normal business hours on each business day from the date of the notice convening the Annual General Meeting up to the close of the meeting.

### Explanation of Special Business:

6. The Companies Act 2006 provides that Directors shall only allot unissued shares with the authority of shareholders in general meeting. Resolution 5 will be proposed as an Ordinary Resolution for the renewal of the Directors' general authority to issue relevant securities up to an aggregate nominal amount of £400,000, representing approximately one third of the current issued share capital of the Company. Resolution 5(ii) follows ABI guidelines which recommend that a Company can issue a further third of its issued share capital provided that this is done on a pre-emptive basis. The Directors have no present intention of exercising this authority. The Directors may also allot shares pursuant to the Company's existing employee share schemes.
7. The Companies Act 2006 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under section 570 of the Companies Act 2006. Resolution 6 will be proposed as a Special Resolution for the renewal of the Directors' authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 561 of the Companies Act 2006, authorises the issue of shares pursuant to the Company's existing employee share schemes and further authorises other allotments of up to a maximum aggregate nominal amount of £57,250 of shares, representing approximately 5 per cent of the current issued ordinary share capital of the Company. The Directors have no present intention of exercising this authority, other than in operation of the Company's existing employee share schemes.
8. Resolution 7, proposed as a special resolution, asks shareholders to grant until the earlier of 4 November 2012 or the next annual general meeting, the board authority to buy the Company's own shares subject to the constraints set out in resolution 7. The board would exercise this power only if satisfied that it was in the interests of the shareholders as a whole to do so and that it was likely to result in an increase in earnings per share.
9. The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (the Regulations) were laid before Parliament on 15 April 2003 and came into effect on 1 December 2003. The Regulations enable companies to retain any of their own shares they have purchased as treasury stock with a view to possible re-issue at a future date, rather than cancelling them as was previously required. The Company would consider holding any of its own shares that it purchases pursuant to the authority conferred by this resolution as treasury stock provided that the number so held did not at anytime exceed 10% of the Company's issued share capital. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively, and would provide the Company with additional flexibility in the management of its capital base.

# Directors and Advisers

## Directors and Advisers

### Executive Directors

EA Blaine, *Managing Director*  
RG Hutton, FCCA, MBA, *Finance Director & Company Secretary*  
P Gleghorn, *Technical Director*

### Non-Executive Directors

AE Bradshaw, *Non-Executive Director*

## Composition of Board Committees

**Audit Committee** AE Bradshaw (*Chairman*)

**Remuneration Committee** – AE Bradshaw (*Chairman*), EA Blaine and RG Hutton

**Finance Director and Company Secretary** – RG Hutton, FCCA, MBA

### Auditors

Grant Thornton UK LLP  
No.1 Whitehall Riverside  
Leeds  
LS1 4BN

### Solicitors

Eversheds  
Central Square South  
Orchard Street  
Newcastle-upon-Tyne  
NE1 3XX

### Brokers and Nominated Advisers

Daniel Stewart  
Beckett House  
Old Jewry  
London  
EC2R 8DD

### Registrars

Capita Registrars  
Shareholder Services Dept  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

### Bankers

Barclays Bank Plc  
PO Box 285  
10 Market Street  
Bradford  
West Yorkshire  
BD1 1XW

### Financial Public Relations

Abchurch Communications Limited  
100 Cannon Street  
London  
EC4N 6EU

### Registered Office

Maple House  
Woodland Park  
Chain Bar  
Bradford Road  
Cleckheaton  
West Yorkshire  
BD19 6BW

Tel: 01274 863300  
Fax: 01274 865966  
E-mail: [info@atlantic-global.com](mailto:info@atlantic-global.com)  
Website: [www.atlantic-global.com](http://www.atlantic-global.com)

Registered in England and Wales: 4168028

# Form of Proxy

For use at the ninth Annual General Meeting of Atlantic Global Plc to be held on 19 April 2011 at 2.00 p.m at Maple House, Woodland Park, Bradford Road, Chain Bar, Cleckheaton, West Yorkshire, BD19 6BW, and at any adjourned meeting thereof.

I/We .....

of .....

**(Please insert full name(s) and address(es) in block letters – see Note 1 below)**

being (a) member(s)/a person nominated by (a) member(s) of the above-named Company hereby appoint the Chairman of the meeting

or .....

(Name of Proxy Number of Shares (See Note 2 below))as my/our proxy or proxies to vote for me/us and on my/our behalf at the general meeting of the Company to be held on 19 April 2011 and at any adjournment of that meeting and to vote at that meeting as indicated below. Please indicate how you wish your proxy or proxies to vote by inserting "X" in the box below. Where no "X" is inserted, and on any other resolutions proposed at the meeting, your proxy will vote or abstain from voting as he/she thinks fit.

Please tick here if this proxy appointment is one of multiple proxies being made (and refer to note 2 below).

Enter the number of shares in relation to which your proxy is authorised in the box provided or leave blank to authorise your proxy to act in relation to your full voting entitlement.

## RESOLUTIONS

### Ordinary Business

	For	Against	Withheld	Discretionary
1. To receive and adopt the Company's accounts and the reports of the Directors and auditors for the period ended 31 December 2010.				
2. To re-appoint Messrs Grant Thornton UK LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts are laid before the Company and to authorise the Directors to fix their remuneration.				
3. To receive Eugene Blaine's retirement as a Director of the Company and re-elect him to the Board of Directors of the Company.				
4. To receive Rupert Hutton's retirement as a Director of the Company and re-elect him to the Board of Directors of the Company.				

### Special Business

	For	Against	Withheld	Discretionary
5. To authorise the Directors to allot relevant securities pursuant to s.551 Companies Act 2006.				
6. To authorise the Directors to allot equity securities pursuant to s.570 Companies Act 2006.				
7. To authorise the Company to make market purchases within the meaning of s.701 Companies Act 2006.				

Signature(s) of Person(s) attending .....

or Common Seal .....

## NOTES:

- All members are entitled to attend and vote at the meeting, whether or not they have returned a form of proxy.
- If any other proxy is preferred, delete the words "the Chairman of the Meeting or," insert the full name of the proxy or proxies you wish to appoint and initial the alteration. If you are appointing more than one proxy you must indicate the number of shares in respect of which you are making this appointment, using the box provided. For additional proxy form(s) you may photocopy this form. Please return all the forms together in the same envelope and tick the box to indicate each form is one of multiple instructions being given. Please take care when completing the number of shares; if the total number of shares exceeds the total held by the member, all appointments may be invalid.
- A proxy need not be a member of the Company but must attend the meeting in person.
- In the case of a corporation this form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing. In the case of an individual, the form of proxy must be signed by the individual or his attorney.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
- If you want your proxy to vote in a certain way on the resolutions, please insert "X" in the relevant box.
- The "withheld" option is provided to enable you to abstain on any particular resolution. However, it should be noted that a "withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.
- If you select 'discretionary' or fail to select any of the options, your proxy can vote as he or she chooses or can decide not to vote. Your proxy can also do this on any other resolution that is put to the meeting.
- If this form of proxy is returned duly signed but without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes and whether or not he abstains from voting.
- To be effective, this form of proxy, duly executed together with the power of attorney or other authority (if any) under which it is signed (or a notorially certified copy thereof) must be lodged with the Company Registrars not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting (excluding any part of a day which is a non-working day).
- Any alterations made in this form of proxy should be initialled.
- Appointment of a proxy will not preclude a member from attending and voting in person should he subsequently decide to do so.
- Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company at 6.00pm on 17 April 2011 or, if the meeting is adjourned, shareholders on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and vote at the meeting (excluding any part of a day which is a non-working day).
- The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- If two or more valid forms of proxy are delivered in respect of the same share, the one which is valid will be the one which was delivered last (regardless of its date or the date of its execution).



**Please return the proxy form to the  
Registrar in an envelope addressed  
to:**

**Freepost RSBH-UXKS-LRBC PXS  
34 Beckenham Road,  
Beckenham  
BR3 4TU**



