

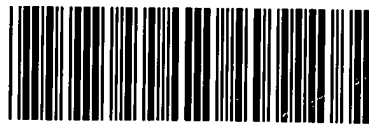
Registration number: 03860667.

Atlantic Estates Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2023

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Atlantic Estates Limited

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Atlantic Estates Limited

Company Information

Directors	Eylon Garfunkel Margarita Nikolaeva Milosavljevic
Registered office	Labs Dockray 1-7 Dockray Place London NW1 8QH
Auditor	KPMG LLP 15 Canada Square Canary Wharf London United Kingdom E14 5GL

Atlantic Estates Limited

Directors' Report for the Year Ended 31 March 2023

The directors present their annual report and the financial statements for the year ended 31 March 2023.

Principal activity

The principal activity of the company is property investment.

Directors of the company

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Eylon Garfunkel

Margarita Nikolaeva Milosavljevic

Results and dividends

The results for the year are set out on page 9. No ordinary dividends were paid or declared during the year (2022:£ Nil). The directors do not recommend a payment of a final dividend.

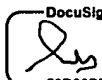
Reappointment of auditor

The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board on 01 September 2023 and signed on its behalf by:

DocuSigned by:

56D60BF793F248A.....
Eylon Garfunkel
Director

Labs Dockray
1-7 Dockray Place
London
NW1 8QH

Atlantic Estates Limited

Statement of Directors' Responsibilities

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC ESTATES LIMITED

Opinion

We have audited the financial statements of Atlantic Estates Limited ("the Company") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the directors of whether they are aware of fraud and of the company's high-level policies and procedures to prevent and detect fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC ESTATES LIMITED (continued)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of revenue is non-judgemental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual accounts pairing of cash or borrowings, journal entries containing key words as well as material post-closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation, recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC ESTATES LIMITED (continued)

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws or regulation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC ESTATES LIMITED (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC ESTATES LIMITED (continued)

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in black ink, appearing to read 'J Tricker'.

**Jonathan Tricker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
15 Canada Square
Canary Wharf
London
United Kingdom
E14 5GL

Date: 1st September 2023

Atlantic Estates Limited**Statement of Comprehensive Income for the Year Ended 31 March 2023**

	Note	31 March 2023 £	31 March 2022 £
Revenue	4	172,635	86,584
Cost of sales		<u>(57,260)</u>	<u>(37,669)</u>
Gross profit		115,375	48,915
Administrative expenses		(180,660)	(188,243)
Loss on the revaluation of investment properties	10	<u>(126,411)</u>	<u>(913,780)</u>
Operating loss		(191,696)	(1,053,108)
Interest payable and similar expenses	6	<u>(370,157)</u>	<u>(387,074)</u>
Loss before tax		(561,853)	(1,440,182)
Tax on loss	9	<u>53,106</u>	<u>79,384</u>
Loss for the financial year		<u><u>(508,747)</u></u>	<u><u>(1,360,798)</u></u>

The above results were derived from continuing operations.

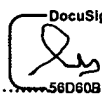
There were no items of other comprehensive income in the current or prior year.

The notes on pages 12 to 22 form an integral part of these financial statements.

Atlantic Estates Limited
(Registration number: 03860667)
Statement of Financial Position as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Investment property	10	2,809,809	2,936,220
Investments	11	<u>4</u>	<u>4</u>
		<u>2,809,813</u>	<u>2,936,224</u>
Current assets			
Trade and other receivables	12	4,902,416	5,597,150
Cash and cash equivalents		<u>3,482</u>	<u>9,286</u>
		4,905,898	5,606,436
Creditors: Amounts falling due within one year	13	<u>(7,219,879)</u>	<u>(6,441,398)</u>
Net current liabilities		<u>(2,313,981)</u>	<u>(834,962)</u>
Total assets less current liabilities		495,832	2,101,262
Creditors: Amounts falling due after more than one year	13	-	(1,043,576)
Provisions for liabilities	14	<u>(444,617)</u>	<u>(497,724)</u>
Net assets		<u>51,215</u>	<u>559,962</u>
Equity			
Called up share capital	15	1,000	1,000
Other reserves		2,195,024	2,195,024
Profit and loss account		<u>(2,144,809)</u>	<u>(1,636,062)</u>
Shareholders' funds		<u>51,215</u>	<u>559,962</u>

Approved and authorised by the Board on 01 September 2023 and signed on its behalf by:

DocuSigned by:

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Eylon Garfunkel
 Director

Atlantic Estates Limited**Statement of Changes in Equity for the Year Ended 31 March 2023**

	Share capital	Other reserves	Profit and loss	Total
	£	£	account	£
	£	£	£	£
At 1 April 2022	1,000	2,195,024	(1,636,062)	559,962
Loss for the year	-	-	(508,747)	(508,747)
Total comprehensive loss	-	-	(508,747)	(508,747)
At 31 March 2023	<u>1,000</u>	<u>2,195,024</u>	<u>(2,144,809)</u>	<u>51,215</u>
	Share capital	Other reserves	Profit and loss	Total
	£	£	account	£
	£	£	£	£
At 1 April 2021	1,000	2,195,024	(275,264)	1,920,760
Loss for the year	-	-	(1,360,798)	(1,360,798)
Total comprehensive loss	-	-	(1,360,798)	(1,360,798)
At 31 March 2022	<u>1,000</u>	<u>2,195,024</u>	<u>(1,636,062)</u>	<u>559,962</u>

The notes on pages 12 to 22 form an integral part of these financial statements.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is Labs Dockray, 1-7 Dockray Place, London, NW1 8QH, United Kingdom.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements have been prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Summary of disclosure exemptions

The Company has taken advantages of the following exemptions in preparing financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows as the Company is small;
- the requirements of Section 9 for preparation of consolidated financial statements and
- the requirements of Section 33 Related Party Disclosures paragraph 33.1A

The Company has taken advantage of the exemption available in section 414B of the Companies Act 2006 not to prepare a Strategic Report.

The financial statements contain information about the Company as an individual company and do not contain consolidated financial statement as the parent of a Group. The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of LabTech Investments Limited.

Going concern

The Company is a member of the Labtech Investments Limited group ('the Group').

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

As at 31 March 2023 the Company has net current liabilities of £2,313,981 and net assets of £51,215. Further, the Company is reliant on the Group to perform certain operational and administrative functions on behalf of the Company. The Group has indicated its intention to provide financial support as is necessary, and to not demand repayment of existing funding, if the Company does not have sufficient funds to do so. As with any reliance on others for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, taking into account the financial position of the Group described below, the Directors have no reason to believe it will not do so.

In assessing the ability of the Group to continue to support the Company, the Directors have considered the ability of the Group to continue as a going concern.

The Group meets its day-to-day working capital requirements from rental income, proceeds from the sale of non-core assets, accumulated cash balances and, if necessary, loans from its shareholder. The Group has a range of loan facilities, with each loan secured on specific property assets held by the Group. The most significant loan was repaid in full on 15 September 2022, following the sale of several of the Group's investment property assets. That repayment significantly reduced the Group's third party borrowing and the Directors therefore consider that there are no issues with covenant compliance for a period of at least 12 months from the date of approval of these financial statements, and that the Group will therefore be able to continue to provide support to the Company for the foreseeable future.

As a result of the above considerations the Directors have prepared these financial statements on a going concern basis.

Revenue recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligation in all the revenue arrangements, has pricing latitude and is also exposed to credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the statement of comprehensive income for the period.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

Tax

The tax expense represents the sum of the tax currently payable and deferred tax.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction of other event that resulted in the tax expense or income. Deferred tax asset and liabilities are offset when the company has a legally enforceable right to offset the current tax assets and liabilities and the deferred tax assets and liabilities related to taxes levied by the same tax authority.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current year is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Investments

Interest in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversal of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instruments.

Financial asset and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction cost and subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidence a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and amounts due to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Rental payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividend payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

3 Critical accounting judgement and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimations and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 estimates is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The following estimates have had the most significant effect on amounts recognised in the financial statements.

Investment Property

Investment properties are valued to fair value annually. The company recognises the property at fair value, defined as the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and seller in an arm's length transaction, through the use of comparable values of similar properties observable in the market. The directors of the company assess the carrying value at each reporting date to ensure that its carrying value is adjusted to fair value. The main assumptions in the valuation are typically market related, such as market rents and yields and are based on the professional judgement and market observations. Each property has been valued in isolation based on the unique nature, characteristics and perceived risk of that property.

Judgements

The estimates and assumptions which have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities are outlined below

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2023	2022
	£	£
Rental income	<u>172,635</u>	<u>86,584</u>

All revenue is generated within the United Kingdom.

5 Other losses

The analysis of the company's other gains and losses for the year is as follows:

	2023	2022
	£	£
Loss on fair value in investment properties	<u>(126,411)</u>	<u>(913,780)</u>

6 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and borrowings	22,086	39,003
Interest payable on loans from group undertakings	<u>348,071</u>	<u>348,071</u>
	<u>370,157</u>	<u>387,074</u>

7 Staff costs

The average monthly number of persons (excluding directors) employed by the company during the year was nil (2022: nil). A portion of directors' remuneration is recharged from LabTech London Limited and included in this entity as an overhead expense. The allocation of directors' remuneration is £3,412 (2022: £2,126).

8 Auditor's remuneration

	2023	2022
	£	£
Audit of the financial statements	<u>17,040</u>	<u>8,975</u>

The audit fee of £17,040 (2022: £8,975) for the year was borne by Labtech London Limited, a fellow group undertaking. There were no non-audit services provided by the company's auditors during the year (2022: £nil).

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

9 Taxation

Tax charged/(credited) in the income statement

	2023 £	2022 £
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(53,106)</u>	<u>(79,384)</u>

The corporation tax rate in UK is 19% (2022: 19%). The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Loss before tax	<u>(561,853)</u>	<u>(1,440,182)</u>
Corporation tax at standard rate in the UK	(106,752)	(273,635)
Effect of expense not deductible in determining taxable profit (tax loss)	66,392	261,756
Deferred tax (credit)/expense relating to changes in tax rates or laws	(12,746)	181,535
Deferred tax movement	-	(260,920)
Group relief surrendered for nil consideration	<u>-</u>	<u>11,880</u>
Total tax credit	<u>(53,106)</u>	<u>(79,384)</u>

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 March 2023 has been calculated based on these rates, reflecting the expected timing of reversal of the related to timing differences (2022: 25%).

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

10 Investment properties

	2023 £
At 1 April	2,936,220
Fair value adjustments	<u>(126,411)</u>
At 31 March	<u>2,809,809</u>

The Group property portfolio is valued at 31 March 2023 by Cushman & Wakefield (C&W) based on fair value in accordance with The RICS Valuation Professional Standards. The fair value of investment property and land and building classified as property is determined using "investment method" whereby capitalisation yields derived from market transactions involving comparable investment property are applied to the estimated net current and future cash flows expected to be generated by the investment property, which the valuer calculated using comparable market information, to obtain a market rental value.

11 Investments

	2023 £	2022 £
Investments in subsidiaries	<u>4</u>	<u>4</u>
Subsidiaries		£
Cost or valuation		
At 1 April 2022		<u>4</u>
Provision		
Carrying amount		
At 31 March 2023		<u>4</u>
At 31 March 2022		<u>4</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

11 Investments (continued)

Undertaking								Proportion of voting rights and shares held	
								2023	2022
Subsidiary undertakings									
Camden Lock Limited	(London)	54-56 Camden Lock Place, London, NW1 8AF	United Kingdom	Ordinary	100%	100%			

Subsidiary undertakings

Camden Lock (London) Limited

The principal activity of Camden Lock (London) Limited is Property Management.

12 Trade and other receivables

	2023 £	2022 £
Trade receivables	4,358	55,271
Amounts owed by group undertakings	4,689,861	5,446,404
Other receivables	52,523	15,056
Prepayments	15,484	16,412
Accrued income	140,190	64,007
	<u>4,902,416</u>	<u>5,597,150</u>

Amounts owed by group undertakings are interest free and repayable on demand.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Creditors

	Note	2023 £	2022 £
Due within one year			
Trade creditors		16,526	212
Amounts due to group undertakings		7,024,500	6,383,389
Other payables		86,262	22,024
Accruals		62,620	5,802
Other current financial liabilities		29,971	24,818
Deferred income		-	5,153
		<u>7,219,879</u>	<u>6,441,398</u>
Due after one year			
Loans and borrowings	16	<u>-</u>	<u>1,043,576</u>

Amounts owned to group undertakings include an interest bearing loan of £ 4,520,408 (2022: £4,520,408) payable to Simplepath Investments Limited, an immediate parent undertaking. The loan is repayable on demand and accrues interest at 7.7% per annum. The accumulated interest as at 31 March 2023 is £1,675,150 (2022 : £1,327,078), which is capitalised to the loan balance. Remaining amounts due to group undertakings are interest free and repayable on demand.

14 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2022	497,723	497,723
Decrease in existing provisions	<u>(53,106)</u>	<u>(53,106)</u>
At 31 March 2023	<u>444,617</u>	<u>444,617</u>

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares class A of £1 each	500	500	500	500
Ordinary shares class B of £1 each	500	500	500	500
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

16 Loans and borrowings

	2023	2022
	£	£
Non-current loans and borrowings		
Bank borrowings	<u>-</u>	<u>1,043,576</u>

Bank borrowings

AIG facility was denominated in GBP with a fixed interest rate of 4.16%, it was fully repaid on 15 September 2022, so there was no loan facility in place at year-end (2022 £1,043,576).

17 Financial guarantee contracts

The company provided cross guarantees in connection with bank facilities granted by AIG to other group entities. AIG loan was fully repaid on 15 September 2022 and therefore the financial guarantee is no longer in place. At at 31 March 2023 the amount of financial guarantee is £Nil (2022: £602,000,000).

18 Parent and ultimate parent undertaking

The company's immediate parent is Simplepath Investments Limited, incorporated in BVI.

The ultimate controlling party is The Goodheart Trust, a trust established under the laws of the Isle of Man.

The parent of the largest and smallest group in which these financial statements are consolidated is Labtech Investments Limited, incorporated in Guernsey.

The address of Labtech Investments Limited is:

P.O. Box 186, Royal Chambers, St. Julian's Avenue, St. Peter Port, GY1 4HP, Guernsey.

The consolidated financial statements of Labtech Investments Limited are not available to the public.