

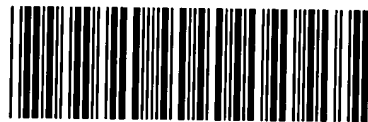
Registration number: 03860667

Atlantic Estates Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021

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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
Auditors	KPMG LLP 15 Canada Square Canary Wharf London United Kingdom E14 5GL

Atlantic Estates Limited

Directors' Report for the Year Ended 31 March 2021

The directors present their annual report and the financial statements for the year ended 31 March 2021.

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:

Yaron Shahar (resigned 6 September 2021)

Eylon Garfunkel

The following director was appointed after the year end:

Margarita Nikolaeva Milosavljevic (appointed 6 September 2021)

Results and dividends

The results for the year are set out on page 10. No ordinary dividends were paid or declared during the year (2020:£ Nil). The directors do not recommend a payment of a final dividend.

Future developments

The external commercial environment is expected to remain competitive in 2021/2022. However, the company has the space recently let to a new tenant.

Going concern

Covid-19

The Company is a member of the Labtech Investments Limited group ('the Group'). In response to the impact of the coronavirus (Covid-19) outbreak, the Group has successfully tested and implemented business continuity procedures (BCP) that have included the majority of the Group's staff working from home, pausing all international travel, asking staff to avoid public transport and introducing other social distancing measures in accordance with relevant government guidance. The Group is also monitoring the BCP effectiveness of key service providers. The pandemic is causing significant financial market and social dislocation and the ultimate extent of the effect of this on the Group is uncertain, but the Directors remain confident as to the Group's continued viability. Further details on the impact of Covid-19 on the Group can be found in note 2.

Reappointment of auditors

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

Disclosure of information to the auditors

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.

Atlantic Estates Limited

Directors' Report for the Year Ended 31 March 2021

Approved by the Board on 20.01.2022 and signed on its behalf by:



.....
Eylon Garfunkel
Director

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 apply them consistently;
- make judgements and accounting 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 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 2021 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 2021 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 Standards 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.



Independent Auditor's Report to the Members of Atlantic Estates Limited

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 usual or unexpected relationships.

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 and the risk of bias in accounting estimates and judgements such as investment property valuations.

On this audit we do not believe there is a fraud risk related to revenue recognition because the Company did not receive any revenue due to the property being vacant throughout the year.

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 those posted to unusual accounts 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.



Independent Auditor's Report to the Members of Atlantic Estates Limited

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.

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 strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



Independent Auditor's Report to the Members of Atlantic Estates Limited

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.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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 for the audit of the financial statements

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

A 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.



Independent Auditor's Report to the Members of Atlantic Estates Limited

A handwritten signature in black ink, appearing to read 'J. Tricker', written over a dotted line.

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

15 Canada Square
Canary Wharf
London
United Kingdom
E14 5GL

Date: 20 January 2022

Atlantic Estates Limited

Statement of Comprehensive Income for the Year Ended 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Revenue	4	-	235,871
Gross profit		-	235,871
Administrative expenses		(172,779)	(440,897)
Gain (loss) on the revaluation of investment properties	10	250,000	(300,000)
Operating profit/(loss)		77,221	(505,026)
Interest payable and similar expenses	6	(387,069)	(265,121)
Loss before tax		(309,848)	(770,147)
Tax on loss	9	(47,500)	60,000
Loss for the financial year		<u>(357,348)</u>	<u>(710,147)</u>

The above results were derived from continuing operations.

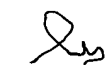
There were no items of other comprehensive income in the current or prior year.

The notes on pages 13 to 25 form an integral part of these financial statements.

Atlantic Estates Limited**(Registration number: 03860667)****Statement of Financial Position as at 31 March 2021**

	Note	2021 £	2020 £
Fixed assets			
Investment property	10	3,850,000	3,600,000
Investments	11	<u>4</u>	<u>4</u>
		<u>3,850,004</u>	<u>3,600,004</u>
Current assets			
Trade and other receivables	12	5,790,576	5,969,846
Cash and cash equivalents		<u>75,357</u>	<u>-</u>
		5,865,933	5,969,846
Creditors: Amounts falling due within one year	13	<u>(6,173,355)</u>	<u>(5,717,506)</u>
Net current (liabilities)/assets		<u>(307,422)</u>	<u>252,340</u>
Total assets less current liabilities		3,542,582	3,852,344
Creditors: Amounts falling due after more than one year	13	(1,043,625)	(1,043,539)
Provisions for liabilities	14	<u>(577,108)</u>	<u>(529,608)</u>
Net assets		<u><u>1,921,849</u></u>	<u><u>2,279,197</u></u>
Equity			
Called up share capital	15	1,000	1,000
Other reserves		2,195,024	2,195,024
Profit and loss account		<u>(274,175)</u>	<u>83,173</u>
Shareholders' funds		<u><u>1,921,849</u></u>	<u><u>2,279,197</u></u>

Approved and authorised by the Board on 20.01.2022... and signed on its behalf by:



Eylon Garfunkel
Director

The notes on pages 13 to 25 form an integral part of these financial statements.

Atlantic Estates Limited**Statement of Changes in Equity for the Year Ended 31 March 2021**

	Share capital	Non-distributable reserve	Profit and loss account	Total
	£	£	£	£
At 1 April 2020	1,000	2,195,024	83,173	2,279,197
Loss for the year	-	-	(357,348)	(357,348)
Total comprehensive income	-	-	(357,348)	(357,348)
At 31 March 2021	1,000	2,195,024	(274,175)	1,921,849

	Share capital	Non-distributable reserve	Profit and loss account	Total
	£	£	£	£
At 1 April 2019	1,000	2,195,024	793,320	2,989,344
Loss for the year	-	-	(710,147)	(710,147)
Total comprehensive income	-	-	(710,147)	(710,147)
At 31 March 2020	1,000	2,195,024	83,173	2,279,197

The notes on pages 13 to 25 form an integral part of these financial statements.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

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 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.

Going concern

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

As at 31 March 2021 the Company has net current liabilities of £307,422. 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.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Accounting policies (continued)

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. Rent collections have reduced following the onset of the Covid-19 pandemic. The Group continues to monitor the UK government's regulations and adjust its operations accordingly. Future trading performance of the Group's tenants is uncertain, and a reduced level of revenue may continue to be the situation in future months. However, before considering the impact of loan covenants on external facilities as described below, the Directors consider the Group has sufficient cash to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

The Group has a range of loan facilities, with each loan secured on specific property assets held by the Group. The most significant loan is secured on the majority of the Group's investment property and the net assets of the Company form part of the security the Lender holds in relation to this loan. Given the potential impact on prospective covenant compliance due to the impact of Covid-19, the Group has agreed with the Lender a covenant waiver period up to and including the February 2023 covenant measurement date. The Directors forecast that covenants will be complied with, including in downside scenarios, by and after the next covenant measurement date in February 2023.

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 it 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.

Revenue from the construction contract is recognised when the amount can be estimated reliably. The contract revenue and contract costs are measured by reference to stage of completion at the end of the reporting period.

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 2021

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 income statements 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.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and carrying value of the asset, and is recognised in the income statement.

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 2021

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 asset, 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.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessees. All other leases are classified as operating leases. Lease of investment property are recognised as finance leases regardless of the lease term.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest element. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

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.

The directors do not consider there to be any estimates and assumptions which have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities.

Key sources of estimation uncertainty

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

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

3 Critical accounting judgement and key sources of estimation uncertainty (continued)

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

Provisions and contingent liabilities

The company exercises judgement in measuring and recognising provision and the exposures to contingent liabilities related to damages to assets under development. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of financial settlement. Because of inherent uncertainty in this evaluation process, actual losses may be different from the originally estimate provision.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

4 Revenue

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

	2021	2020
	£	£
Rental income	<u>-</u>	<u>235,871</u>

5 Other gains and losses

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

	2021	2020
	£	£
Gain (loss) on investment properties	<u>250,000</u>	<u>(300,000)</u>

6 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and borrowings	38,998	39,101
Interest payable on loans from group undertakings	<u>348,071</u>	<u>226,020</u>
	<u>387,069</u>	<u>265,121</u>

7 Staff costs

The average monthly number of persons (including directors) employed by the company during the year was nil (2020: nil), and the directors received no remuneration for the services to the company (2020: £nil).

8 Auditors' remuneration

	2021	2020
	£	£
Audit of the financial statements	<u>4,625</u>	<u>3,000</u>

The audit fee of £4,625 (2020: £2,000) 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 (2020: £nil).

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Deferred taxation		
Arising from origination and reversal of timing differences	<u>47,500</u>	<u>(60,000)</u>

The corporation tax rate in UK is 19% (2020: 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:

	2021 £	2020 £
Loss before tax	<u>(309,848)</u>	<u>(770,147)</u>
Corporation tax at standard rate in the UK of 19% (2020: 19%)	(58,871)	(146,328)
Deferred tax movement	47,500	(60,000)
Group relief surrendered for nil consideration	<u>58,871</u>	<u>146,328</u>
Total tax charge/(credit)	<u>47,500</u>	<u>(60,000)</u>

Deferred tax

Deferred tax assets and liabilities

	Liability £
2021	
Revaluation of investment property	<u>577,108</u>
2020	
Revaluation of investment property	<u>529,608</u>

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

10 Investment properties

	2021 £
At 1 April	3,600,000
Fair value adjustments	<u>250,000</u>
At 31 March	<u><u>3,850,000</u></u>

The fair value of the investment property has been arrived at on the basis of valuation carried out at 31 March 2021 by Cushman & Wakefield. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties.

11 Investments

	2021 £	2020 £
Investments in subsidiaries	<u>4</u>	<u>4</u>
Subsidiaries		£
Cost or valuation		
At 1 April 2020		<u>4</u>
Provision		
Carrying amount		
At 31 March 2021		<u><u>4</u></u>
At 31 March 2020		<u><u>4</u></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 2021

11 Investments (continued)

Undertaking							Registered office		Holding	Proportion of voting rights and shares held	
										2021	2020
Subsidiary undertakings											
Camden Limited	Lock	(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

	2021 £	2020 £
Trade receivables	44,896	20,177
Amounts owed by group undertakings	5,676,225	5,869,291
Other receivables	69,455	80,378
	<u>5,790,576</u>	<u>5,969,846</u>

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

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

13 Creditors

	Note	2021 £	2020 £
Due within one year			
Trade creditors		634	-
Amounts due to group undertakings		5,985,964	5,710,318
Accruals		166,130	7,188
Other current financial liabilities		<u>20,627</u>	<u>-</u>
		<u>6,173,355</u>	<u>5,717,506</u>
Due after one year			
Loans and borrowings	16	<u>1,043,625</u>	<u>1,043,539</u>

Amounts owed to group undertakings include a shareholder loan of £4,520,408 at the rate of 7.7% from Simplepath Investments Limited, the loan is repayable on demand. All other amounts owed to the group undertakings are interest free and repayable on demand.

14 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2020	529,608	529,608
Increase (decrease) in existing provisions	<u>47,500</u>	<u>47,500</u>
At 31 March 2021	<u>577,108</u>	<u>577,108</u>

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

15 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary share class A of £1 each	500	500	500	500
Ordinary share 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

	2021	2020
	£	£
Non-current loans and borrowings		
Bank borrowings	<u>1,043,625</u>	<u>1,043,539</u>

Bank borrowings

AIG loan facility is denominated in GBP with a nominal interest rate of 4.16%, and the final instalment is due on 15 December 2025.

The loan is secured by way of fixed and floating charges over the assets of the group in which the Company is a member.

17 Financial guarantee contracts

The company provided cross guarantees in connection with bank facilities granted by AIG to other group entities.

As at 31 March 2021 the amount of the financial guarantee contract is £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 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.

Atlantic Estates Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

18 Parent and ultimate parent undertaking (continued)

The parent of the smallest group in which these financial statements are consolidated is Divanyx Investments Limited, incorporated in British Virgin Islands.

The address of Divanyx Investments Limited is:

Quastisky Building, 3rd Floor, P.O. Box 905, Road Town, Tortola, VG1 110, BVI.