

**REGISTRAR OF
COMPANIES**

**ATLANTIC INVESTMENTS (UK)
LIMITED**

Report and Financial Statements

31 January 2008

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ATLANTIC INVESTMENTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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ATLANTIC INVESTMENTS (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Thomas
B L Thomas
P James

SECRETARY

W M Strong

REGISTERED OFFICE

Atlantic House
Greenwood Close
Cardiff Gate Business Park
Cardiff
CF23 8RD

BANKERS

Barclays Bank Plc

SOLICITORS

Eversheds LLP

AUDITORS

Deloitte LLP
Cardiff

ATLANTIC INVESTMENTS (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 January 2008.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

ACTIVITIES

The principal activity of the company is the investment of cash on long and short-term deposit.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The trading results for the financial year and the company's position at the year-end are shown in the attached financial statements. The directors are satisfied with the company's result for the financial year and are optimistic regarding its future prospects.

DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the year (2007 - £nil).

DIRECTORS

The directors of the company, who served throughout the financial year, are as shown on page 1. E W Turner resigned on 27 November 2008.

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. Accordingly, Deloitte LLP have indicated their willingness to continue in office as the company's auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



W M Strong
Secretary

Date 30-1-09

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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; and
- 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 proper accounting records that 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 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATLANTIC INVESTMENTS (UK) LIMITED

We have audited the financial statements of Atlantic Investments (UK) Limited for the year ended 31 January 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Deloitte LLP
Chartered Accountants and Registered Auditors
Cardiff, United Kingdom

Date 30 January 2009

ATLANTIC INVESTMENTS (UK) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 January 2008

	Note	2008 £	2007 £
Administrative expenses		(205)	(242)
OPERATING LOSS	2	(205)	(242)
Interest receivable and similar income	3	709,116	606,857
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		708,911	606,615
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR	8	708,911	606,615

All activities derive from continuing operations.

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented.

ATLANTIC INVESTMENTS (UK) LIMITED

BALANCE SHEET 31 January 2008

	Note	2008 £	2007 £
CURRENT ASSETS			
Debtors			
- due within one year	6	31,707	26,535
- due after more than one year	6	15,150,010	14,441,067
Investments - cash deposits		9,875,000	9,875,000
Cash at bank and in hand		60	5,264
		<u>25,056,777</u>	<u>24,347,866</u>
NET CURRENT ASSETS, BEING NET ASSETS			
		<u>25,056,777</u>	<u>24,347,866</u>
CAPITAL AND RESERVES			
Called up share capital	7	7,000,000	7,000,000
Profit and loss account	8	18,056,777	17,347,866
SHAREHOLDERS' FUNDS			
	8	<u>25,056,777</u>	<u>24,347,866</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

30-1-09

P James
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

Current asset investments are stated at the lower of cost and net realisable value.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The company has taken advantage of the exemption to prepare a cash flow statement under FRS1 as it qualifies as a small company.

2. OPERATING LOSS

The auditors' remuneration of £2,500 (2007 - £2,000) is borne by the ultimate parent company and not recharged.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Interest receivable from the parent company	140,000	140,000
Bank deposit interest	569,116	466,857
	<u>709,116</u>	<u>606,857</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors were the only employees of the company during the current and the prior financial year. They were remunerated for their services by the ultimate parent company in both periods. It is not practicable to split their remuneration between the services provided to the ultimate parent company and its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 January 2008

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the year at 30% (2007 – 30%)	-	-
	<u>-</u>	<u>-</u>
The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:		
	£	£
Profit on ordinary activities before tax	708,911	606,615
	<u>708,911</u>	<u>606,615</u>
Tax on profit on ordinary activities before tax at 30% (2007 – 30%)	(212,673)	(181,985)
	<u>(212,673)</u>	<u>(181,985)</u>
Factors affecting charge for the year		
Group relief claimed	212,673	181,985
	<u>212,673</u>	<u>181,985</u>
Current tax charge for the year	-	-
	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in respect of timing differences relating to capital losses, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is approximately £201,000. The asset would be recovered if the company made profits on the disposal of capital assets in future periods.

The tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 30%. The tax charge in future periods may be affected by the reduction in the main rate of corporation tax from 30% to 28%.

6. DEBTORS

	2008 £	2007 £
Amounts falling due within one year		
Other debtors	31,707	26,535
	<u>31,707</u>	<u>26,535</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	8,150,010	7,441,067
Unpaid share capital	7,000,000	7,000,000
	<u>15,150,010</u>	<u>14,441,067</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2008

7. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised		
Ordinary shares of £1 each	<u>8,000,000</u>	<u>8,000,000</u>
Called up but unpaid		
Ordinary shares of £1 each	<u>7,000,000</u>	<u>7,000,000</u>

The shares remain unpaid at 31 January 2008.

8. COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total 2008 £	Total 2007 £
Balance at 1 February	7,000,000	17,347,866	24,347,866	23,741,251
Profit for the financial year	-	708,911	708,911	606,615
Balance at 31 January	<u>7,000,000</u>	<u>18,056,777</u>	<u>25,056,777</u>	<u>24,347,866</u>

9. RELATED PARTY TRANSACTIONS

The amount owed by Atlantic Property Developments Plc at 31 January 2008 was £7,450,010 (2007 - £6,881,067) in respect of monies loaned and £700,000 (2007 - £560,000) in respect of interest charged on unpaid share capital.

10. CONTINGENT LIABILITY

The company is awaiting the outcome of an appeal against a judgement in favour of HM Revenue and Customs in relation to the taxation treatment of second hand insurance policies. The appeal process is currently in progress and the directors anticipate that a conclusion will be reached in 2009. Although the circumstances of this appeal are not identical to the company's position, the technical arguments are similar.

If HM Revenue and Customs are successful in this case then the company could potentially be exposed to an additional tax liability of approximately £4.5 million plus related interest.

On the basis of professional advice obtained by the directors they are confident that the appeal will succeed and, for this reason, a provision has not been recorded at 31 January 2008.

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company is Atlantic Property Developments Plc, a company incorporated in the United Kingdom and registered in England and Wales. P Thomas is considered to be the ultimate controlling party of Atlantic Property Developments Plc.