

Atlantic Limited

Appendix 4E

Preliminary final report

1. Details of reporting period

ABN or equivalent company reference	60 009 213 763
Financial year ended ('current period')	30 June 2008
Previous corresponding period	30 June 2007

2. Results for announcement to the market

2.1 Revenues				
	up	369%	to	62,285
2.2 Gain after tax attributable to members	up	190%	to	7,268,413
2.3 Net profit (loss) for the period attributable to members*	up	190%	to	7,268,413
<p>* Net profit includes a gain of \$7,527,286 relating to the completion of a Deed of Company Arrangement ("DOCA"). This gain resulted from the forgiveness of debts from subsidiary entities that were disposed of as part of the DOCA.</p>				

3. Dividend Payments

There were no dividends declared during the period.
The Company does not have in place a dividend reinvestment plan.

4. Net tangible assets per security

	2008	2007
Net tangible asset backing per ordinary security	0.003	(0.170)*

* Company had a net deficiency as at 30 June 2007.

5. Details of entities over which control has been gained or lost during the period.

Control lost over subsidiaries listed below:

- (a) Atlantic Properties Pty Ltd
- (b) Bremer Bay Aquaculture Pty Ltd
- (c) Barracuda Fisheries Pty Ltd
- (d) F & R Management Services Pty Ltd
- (e) Darrella Holdings Pty Ltd
- (f) Atlantic International Trading Trust
- (g) Myanmar Atlantic Company Limited

6. Details of associates and joint venture entities

There were no associates or joint venture entities associated with the Company for the period.

7. Statement of Changes in Equity

	Share Capital Ordinary \$	Accumulated losses \$	Asset Realisation Reserve \$	General Reserve \$	Total \$
Balance at 1.07.2006	12,298,895	(14,401,697)	1,200,000	46,000	(856,802)
Transfer to accumulated losses	-	1,246,000	(1,200,000)	(46,000)	-
Loss attributable to members of the parent entity	-	(8,042,989)	-	-	(8,042,989)
Balance at 30.06.2007	12,298,895	(21,198,686)	-	-	(8,899,791)
Issue of shares	2,750,000	-	-	-	2,750,000
Issue costs	(166,781)	-	-	-	(166,781)
Profit attributable to members of parent entity	-	7,268,413	-	-	7,268,413
Balance at 30.06.2008	14,882,114	(13,930,273)	-	-	951,841

8. Commentary on results for the period

In the financial year ended 30 June 2008 Atlantic Limited was reconstructed and recapitalised, and subsequently re-instated to quotation on the ASX. The previous Board of Directors was replaced with the current Board, and all subsidiaries were sold. As a consequence of these events, the new Board and management of the company is not able to present consolidated results for the period from 1 July 2007 to 8 August 2007, the date on which subsidiaries were disposed of, as the information from the operating subsidiaries was not available.

Since re-instatement, the Company was engaged in the development of a comprehensive pearl marketing plan to provide pearl product to Australian and International markets.

Revenues

There were no revenues from Pearl Marketing activities for the year. In August 2007, as a condition precedent to the completion of the DOCA, the company disposed of all subsidiaries, and loans owing to subsidiaries were forgiven. This resulted in a gain of \$7,527,286.

Losses

In the current year, aside from the gain on completion of the DOCA, the company has incurred operating losses of \$258,873. This minimal level of expenditure represents the Board's prudent management of the cash reserves of the Company.

9. Compliance Statement

1. This report, and the accounts upon which this report is based, have been prepared in accordance with AASB Standards, other than as set out in Note 1(M) in the attached Annual Financial Report.
2. This report, and the accounts upon which this report is based, use the same accounting policies.
3. This report gives a true and fair view of the matters discussed.
4. This report is based on accounts which have been audited.
5. A copy of the audit report is disclosed in the attached Annual Financial Report.



Sign Here:

Date: 26 August 2008

Name: Morgan Barron (Company Secretary)

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ANNUAL FINANCIAL REPORT

for the year ended 30 June 2008

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ATLANTIC LTD
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Corporate Information

Directors:

John Hannaford
Executive Chairman

Jim Malone
Non Executive Director

Anthony Veitch
Non Executive Director

Morgan Barron
Company Secretary

Auditors:

HLB Mann Judd
2nd Floor
15 Rheola Street
WEST PERTH WA 6005

Solicitors:

Price Sierakowski
Level 24/ 44 St Georges Tce
Perth WA 6000

Registered & Principal Office:

Level 2, 16 Altona Street
WEST PERTH WA 6005
Telephone: + 618 9482 0500
Facsimile: + 618 9482 0505

Postal Address:

P.O. Box 902
WEST PERTH WA 6872

Home Stock Exchange:

Australian Securities Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000
ASX Code – ATI

Share Registry:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953
Telephone +618 9315 2333

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Letter from the Chairman

On behalf of the Directors of Atlantic Limited ("Company"), I am pleased to present this Annual Report to you.

This financial year has been one of significant change and transition for your Company. At a General Meeting held on 6 July 2007, shareholders of the Company approved a number of resolutions to give effect to a recapitalisation of the Company.

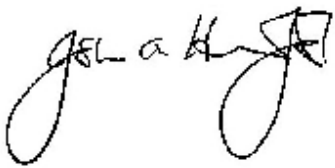
As a result of this recapitalisation of the Company:

- ❖ the pearling operations and all associated assets and commitments were sold to a company associated with Mr Joe Rotondella, a former director and major shareholder of the Company;
- ❖ all of the debts of the Company were cancelled, most of which were owed to Companies and associates of Mr Rotondella;
- ❖ the Company raised \$2.75 million in cash, some of which was used to finalise cancellation of the companies debts;
- ❖ the Company retained an exclusive agreement to market the pearling product of Mr Rotondella's pearling activities in Myanmar; and
- ❖ the Company emerged debt free with approximately \$1 million in cash.

Pearl marketing activities were delayed during the year due to deferral of the pearl harvest in Myanmar and stockpiling of pearl stocks by Golden Pearl Pty Ltd. Throughout the financial year the Company examined opportunities to expand its pearl marketing activities and evaluated new business opportunities with the principle objective of increasing shareholder value.

We would like to thank shareholders for their support throughout this transition year for the Company and we look forward to reporting our progress to you in the year ahead.

Yours faithfully,



Chairman

Directors' Report

Your Directors present their report on Atlantic Limited ("Atlantic" or the "Company") for the financial year ended 30 June 2008.

All references in this Directors' Report and the financial report to activities of the Company or decisions affecting its business or assets between 1 July and 8 August 2007 should be to such activities of the Company while subject to a Deed of Company Arrangement or decisions of the Deed Administrators.

The Directors' Report, Financial Statements, Directors' Declaration, Independent Audit Report and Corporate Governance Statement have, to the extent possible, been prepared in accordance with the requirements in the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange.

DIRECTORS

The Directors of the Company at the date of this report and their relevant background details are as follows:

Mr John Hannaford - appointed 4 July 2007
BCom, C.A., F.Fin.

EXPERIENCE AND EXPERTISE

Mr Hannaford is a qualified Chartered Accountant who has worked in various corporate roles within the resources sector in Australia, Asia and Europe. He has been involved with a wide range of companies including listed oil and gas explorers and producers, oilfield construction groups and various gold and mineral exploration companies. In 2004, Mr Hannaford established Ventnor Capital, to provide specialist corporate advice to companies within the resources industries. Prior to establishing Ventnor Capital, Mr Hannaford provided various administrative, corporate and strategic financial advisory services to resource companies and was a Director, Company Secretary or Financial Controller for many of these companies.

Mr Hannaford is a Fellow of the Financial Services Institute of Australasia, an Associate of the Institute of Chartered Accountants in Australia and holds a Bachelor of Commerce.

OTHER CURRENT DIRECTORSHIPS

Executive Director - Emerald Oil & Gas NL
Non-Executive Director - NeuroDiscovery Ltd
Non-Executive Chairman - Bathurst Resources Ltd

INTERESTS IN SHARES AND OPTIONS

20,227,300 ordinary shares in Atlantic Limited
11,621,500 options over ordinary shares in Atlantic Limited

Mr Anthony Veitch - appointed 4 July 2007
BCom, MBA.

EXPERIENCE AND EXPERTISE

Mr Veitch has a Bachelor of Commerce degree (UWA) and a Master of Business Administration (ECU).

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Mr Veitch previously worked with the Australian Stock Exchange, where he worked on numerous ASX listings and other transactions in the Australian capital markets. He then worked as Manager of Corporate Projects for the London Stock Exchange plc, a FTSE 250 company. During his time in London, he managed the listing of the LSE as well as numerous other major transactions. Mr Veitch is currently an Executive Director of Citadel Capital Pty Ltd.

OTHER CURRENT DIRECTORSHIPS

Non-Executive Director - Baraka Petroleum Limited

INTERESTS IN SHARES AND OPTIONS

6,000,000 ordinary shares in Atlantic Limited

2,000,000 options over ordinary shares in Atlantic Limited

Mr Jim Malone - appointed 4 July 2007

BCom, Associate of the Australian Society of CPA's

EXPERIENCE AND EXPERTISE

Mr Malone has worked successfully as an accountant, stockbroker, business analyst and CEO of a medium sized business for the past 19 years.

Prior to entering the mining industry, Mr Malone worked for Arthur Andersen accountants, Hartley Poynton stockbrokers, CSFB and Lehman Brothers merchant banks in London and for the West Coast Eagles and Richmond Football Clubs, the latter as CEO from 1994 to 2000.

OTHER CURRENT DIRECTORSHIPS

Executive Director - Latin Gold Limited

Non-Executive Director - Uranium King Limited

Non-Executive Director - Nuenco NL.

Non-Executive Director - Richmond Mining Limited

INTERESTS IN SHARES AND OPTIONS

3,000,000 ordinary shares in Atlantic Limited

1,000,000 options over ordinary shares in Atlantic Limited

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COMPANY SECRETARY

Morgan Barron - appointed 10 August 2007
BCom, CA, F Fin.

Morgan Barron is a qualified Chartered Accountant who has worked in various corporate roles both in Australia and Europe. He has recently been involved in a number of company secretarial functions and ASX junior transactions; including the recapitalisation of Matrix Oil NL and its reinstatement to the ASX as Emerald Oil & Gas NL.

Mr Barron holds a Bachelor of Commerce Degree, is a Fellow of the Financial Securities Institute of Australasia, and an Associate of the Institute of Chartered Accountants in Australia. He brings a high level of corporate experience as well as a strong financial and corporate background.

PRINCIPAL ACTIVITIES OF THE COMPANY

During the year, the principal continuing activities of the Company consisted of pearl marketing in Australia and the ongoing assessments of projects that will enhance shareholder value.

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to the payment of dividends.

REVIEW OF OPERATIONS

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in the state of affairs of the Company during the year were as follows:

- On 4 July 2007, three Directors resigned and the current Directors were appointed.
- On 3 August 2007, the ASX advised that the Company would be reinstated on 14 August 2007, thereby satisfying the conditions precedent to completion under the DOCA.
- On 8 August 2007, the Company completed the raising of a total of \$2.75 million through the issue of a total of 310 million shares and 70 million options.
- On 14 August 2007 the Company was re-instated to quotation on ASX.

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EVENTS SUBSEQUENT TO BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS

Information on likely developments in the operations of the Company and the expected results of these operations have not been included in the financial report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL REGULATION

As at the date of this report, the Company's operations are not subject to any significant environmental regulation under a Commonwealth, State or Territory law.

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in ordinary shares, listed and unlisted options of the Company were:

<i>Director</i>	Shares		Unlisted Options	
	<i>Held Directly</i>	<i>Held Indirectly</i>	<i>Held Directly</i>	<i>Held Indirectly</i>
J. Hannaford	-	20,227,300	-	11,621,500
J. Malone	-	3,000,000	-	1,000,000
A. Veitch	-	6,000,000	-	2,000,000
Total	-	29,227,300	-	14,621,500

DIRECTORS' MEETINGS

The attendance at 9 meetings of the Company's Directors held during the year ended 30 June 2008 is shown below:

	Director Attendance	Eligible to Attend
J. Hannaford	9	9
J. Malone	9	9
A. Veitch	9	9

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr J Hannaford, Mr J Malone and Mr A Veitch were appointed directors on 4 July 2007 to fill the vacancies caused by the retirement of the previous directors. In accordance with the Constitution, Mr J Hannaford, Mr J Malone and Mr A Veitch retired as directors at the annual general meeting and were re-appointed by shareholders.

REMUNERATION REPORT

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Additional Information

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the *Corporations Act 2001* and *Corporations Regulations 2001* which have not been audited.

A. Principles used to determine the Nature and Amount of Remuneration

The Board determines the appropriate nature and amount of remuneration. The Board ensures that the executive reward satisfies the following criteria for good reward governance practice:

- competitiveness and reasonableness;
- acceptability to shareholders;
- alignment of executive remuneration to performance;
- transparency; and
- capital management.

The framework provides a mix of fixed and variable pay.

Non-executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non executive directors' fees and payments are reviewed annually by the Board.

Directors' fees

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum pool limit currently stands at \$150,000 per annum and will be approved at the next Annual General Meeting.

Retirement allowances

Superannuation contributions required under the Australian superannuation guarantee legislation are deducted from the directors' overall fee entitlements.

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B. Details of Directors' and Key Management Personnel Remuneration

The Board of Directors for the financial year until 6 July 2007 consisted of three Directors who were not remunerated and therefore there is no performance or equity based remuneration. The remuneration for the part of the year where a paid Director or executive was in place is set out in the following table. It comprises the base salary with amounts for a review based on both the change of duties and annual reassessment.

	Primary			Post Employment		Equity	TOTAL
	Salary & Fees	Cash Bonus	Non-Monetary	Super-annuation	Retirement Benefits	Options	\$
Directors							
John Hannaford - Executive Chairman							
2008	56,693	-	-	-	-	-	56,693
2007	-	-	-	-	-	-	-
Jim Malone - Non-Executive Director							
2008	29,435	-	-	-	-	-	29,435
2007	-	-	-	-	-	-	-
Anthony Veitch - Non-Executive Director							
2008	29,435	-	-	-	-	-	29,435
2007	-	-	-	-	-	-	-
Total Remuneration:							
Directors							
2008	115,563	-	-	-	-	-	115,563
2007	-	-	-	-	-	-	-

C. Service Agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

All contracts may be terminated early by either party with one months notice. Details of the contracts are as follows:

J Hannaford – Executive director

- Term of agreement – ongoing subject to annual review
- Base fees \$30,000 per annum, plus GST, to be reviewed annually by the Board
- Executive fees of \$27,258, plus GST, were paid to Ventnor Capital, a company with which John Hannaford has a beneficial interest.

J Malone – Non-executive director

- Term of agreement – ongoing subject to annual review
- Base fees \$30,000 per annum, plus GST, to be reviewed annually by the Board

A Veitch – Non-executive director

- Term of agreement – ongoing subject to annual review
- Base fees \$30,000 per annum, plus GST, to be reviewed annually by the Board

D. Share Based Compensation

There is currently no share based compensation awarded to directors.

E. Additional Information

Principles used to determine the nature and amount of remuneration: relationship between remuneration and company performance.

The overall level of executive reward takes into account the performance of the Company over a number of years, with greater emphasis given to the current and prior year.

*****End of Remuneration Report*****

SHARES UNDER OPTION

As at the date of this report the Company has the following options over ordinary shares on issue:

Date Granted	Expiry Date	Exercise Price	Number shares under option
08/08/07	31/12/10	\$0.01	70,000,000

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate. No shares were issued as a result of the exercise of an option.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company has paid a premium of \$9,378 to insure all of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

Details of the amount paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

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A. Audit Services

	2008	2007
	\$	\$
RSM Bird Cameron Partners: - Audit and review of financial reports	3,000	22,000
HLB Mann Judd - Audit and review of financial reports	10,500	-
Total remuneration for audit services	13,500	22,000

B. Non-Audit Services

There were no non-audit services provided by the auditor for the years ended 30 June 2007 and 30 June 2008.

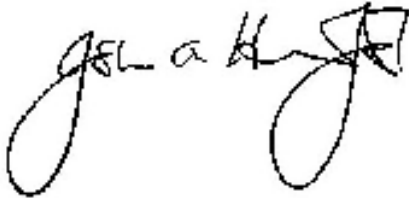
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 14.

AUDITOR

HLB Mann Judd continues in office in accordance with Section 327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Atlantic Limited



JOHN HANNAFORD
Director

Dated this 26th day of August 2008

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Corporate Governance Statement

The Board of Directors is responsible for the corporate governance of the Company. The Board guides and monitors the business activities and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. The Corporate Governance Statement has been structured with reference to the ASX Corporate Governance Council's ("Council") "Principles of Good Corporate Governance and Best Practice Recommendations" to the extent that they are applicable to the Company.

Information about the Company's corporate governance practices are set out below.

THE BOARD OF DIRECTORS

The Company's Constitution provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

If the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the full Board, subject to election by shareholders at the next annual general meeting. Under the Company's Constitution, the tenure of a Director (other than Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for the period and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

The Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of other separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

APPOINTMENTS TO OTHER BOARDS

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to Director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

RISK MANAGEMENT SYSTEMS

Management has provided the Board with a formal report identifying areas of potential risks and the safeguards in place to efficiently manage material business risks. These risk management systems are in place to protect the financial statements of the entity from potential misstatement, allowing declaration from the Chairman regarding the financial statements to be founded on an effective business risk management system and internal control structure.

CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The Directors recognise that pearl marketing is a business with inherent risks and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Board has reviewed its current practices in light of the ASX Principles of Good Corporate Governance and Best Practice Guidelines 2004 with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

In September 2007, the new Board adopted a number of Corporate Governance principles.

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The following table sets out the ASX Corporate Governance Guidelines with which the Company does not comply as at 30 June 2008:

	ASX Principle	Reference/comment
	Principle 2: Structure the board to add value	
2.2	The Chairperson should be an independent director	The Chairman John Hannaford is not independent under the definition in the ASX Corporate Governance Guidelines. The Board believes the alignment of the interests of directors with those of shareholders as being the most efficient way to ensure shareholders interests are protected. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.3	The role of the Chairperson and the CEO should not be exercised by the same individual	The Chairman John Hannaford is also the CEO. The Board believes the alignment of the interests of directors with those of shareholders as being the most efficient way to ensure shareholders interests are protected. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.4	The Board should establish a nomination committee	The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.
	Principle 4: Safeguard integrity in financial reporting	
4.1 - 4.4	The Board should establish an audit committee	The Company does not have an Audit Committee. The Board believes that, with only 3 Directors on the Board, the Board itself is the appropriate forum to deal with this function.
	Principle 8: Remunerate fairly and responsibly	
8.1	The Board should establish a remuneration committee	Given the current size of the Board, the Company does not have a remuneration committee. The board as a whole reviews remuneration levels on an individual basis, with the size of the Company making individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.

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Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Atlantic Ltd for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Atlantic Limited.



Perth, Western Australia
26 August 2008

L DI GIALLONARDO
Partner, HLB Mann Judd

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Income Statement
For the year ended 30 June 2008

	Note	Parent Entity	
		2008	2007
		\$	\$
Revenue	3	-	-
Other income	3	62,285	13,293
Employee benefits expense		(90,855)	(78,189)
Depreciation expense		-	(548)
Impairment of property plant and equipment, investments and other assets		-	(504)
Loss on sale of property, plant and equipment		-	(94,200)
Impairment of loans to subsidiaries		-	(7,019,717)
Other expenses		(230,303)	(360,612)
Finance costs		-	(502,512)
Loss before income tax	4	(258,873)	(8,042,989)
Income tax expense	5	-	-
Loss from continuing operations		(258,873)	(8,042,989)
Gain on disposal of subsidiaries and forgiveness of loans on completion of a Deed of Company Arrangement (DOCA)	3	7,527,286	-
Profit/(loss) for the period		<u>7,268,413</u>	<u>(8,042,989)</u>
Overall Operations			
Basic loss per share (cents per share)	8	2.37	
Diluted loss per share (cents per share)	8	1.96	

The above Income Statement should be read in conjunction with the accompanying notes to the financial statements.

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Balance Sheet
As at 30 June 2008

	Note	2008	2007
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	984,598	9,259
Trade and other receivables	10	7,574	85
TOTAL CURRENT ASSETS		992,172	9,344
NON-CURRENT ASSETS			
Trade and other receivables	10	-	300,000
Financial assets	11	-	90
TOTAL NON-CURRENT ASSETS		-	300,090
TOTAL ASSETS		992,172	309,434
CURRENT LIABILITIES			
Trade and other payables	12	40,331	381,764
TOTAL CURRENT LIABILITIES		40,331	381,764
NON-CURRENT LIABILITIES			
Long-term borrowings	13	-	8,827,461
TOTAL NON-CURRENT LIABILITIES		-	8,827,461
TOTAL LIABILITIES		40,331	9,209,225
NET ASSETS/(LIABILITIES)		951,841	(8,899,791)
EQUITY			
Issued Capital	14	14,882,114	12,298,895
Accumulated Losses		(13,930,273)	(21,198,686)
TOTAL EQUITY/(DEFICIENCY)		951,841	(8,899,791)

The above Balance Sheet should be read in conjunction with the accompanying notes to the financial statements.

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ATLANTIC LTD
ACN: 009 213 763

Statement of Changes in Equity
For the year ended 30 June 2008

	Share Capital Ordinary \$	Accumulated losses \$	Asset Realisation Reserve \$	General Reserve \$	Total \$
Balance at 1.07.2006	12,298,895	(14,401,697)	1,200,000	46,000	(856,802)
Transfer to accumulated losses	-	1,246,000	(1,200,000)	(46,000)	-
Loss attributable to members of the parent entity	-	(8,042,989)	-	-	(8,042,989)
Balance at 30.06.2007	12,298,895	(21,198,686)	-	-	(8,899,791)
Issue of shares	2,750,000	-	-	-	2,750,000
Issue costs	(166,781)	-	-	-	(166,781)
Profit attributable to members of parent entity	-	7,268,413	-	-	7,268,413
Balance at 30.06.2008	14,882,114	(13,930,273)	-	-	951,841

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements.

ATLANTIC LTD
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Cash Flow Statement
For the year ended 30 June 2008

	Note	Parent Entity	
		2008	2007
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		49,461	31,509
Payments to suppliers and employees		(669,436)	(238,988)
Interest received		62,095	2,339
Finance costs		-	-
Net cash used in operating activities	16	(557,880)	(205,140)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets	3	300,000	-
Net cash used in investing activities		300,000	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,750,000	-
Capital raising costs		(166,781)	-
Payment of loans		-	(180,384)
Loans to subsidiary entities		-	(108,945)
Payment to creditors under a DOCA		(1,350,000)	-
Net cash provided by financing activities		1,233,219	(289,329)
Net (decrease)/increase in cash and cash equivalents		975,339	(494,469)
Cash and cash equivalents at beginning of financial year	9	9,259	503,728
Cash and cash equivalents at end of financial year	9	984,598	9,259

The above Cash Flow Statement should be read in conjunction with the accompanying notes to the financial statements.

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Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Atlantic Limited as an individual parent entity. Atlantic Limited is a listed public company, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS) in their entirety.

The financial report was authorised for issue on 21 August 2008 by the Board of Directors.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs modified, where applicable, by the revaluation of selected non-current assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

A. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

B. Financial Instruments

Recognition and initial measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

D. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

E. Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash includes deposits at call with financial institutions and other highly liquid investments with original maturities of three months or less that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

F. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

G. Borrowing Costs

Borrowing costs are recognised in the income statement in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

I. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

J. Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

K. Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

L. Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Principles of consolidation

The Company's subsidiaries were disposed of on 8 August 2007 in accordance with the terms of the Deed of Company Arrangement as disclosed in Note 3. A consolidated financial report has not been prepared as required by Australian Accounting Standards, due to a lack of information in respect of the subsidiaries which formed part of the consolidated entity up to the date of disposal. Accordingly, the Company has elected to prepare only a parent entity financial report.

N. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

O. Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTE 2: ADOPTION OF NEW AND REVISED STANDARDS

The following accounting standards have been issued or amended and are applicable to the Company but are not yet effective. They have not been adopted in the preparation of the financial statements to date.

AASB Standard/ Amendment	Standards Affected	Outline of amendment	Application Date of Standard	Application Date for Company
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101 Presentation of Financial Statements	The revised AASB 101 requires the presentation of comprehensive income and makes changes to the statement of changes in equity.	1.1.2009	1.7.2009
AASB 101	AASB 101 Presentation of Financial Statements	As above.	1.1.2009	1.7.2009

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

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Notes to the Financial Statements
For the year ended 30 June 2008

NOTE 3: REVENUE

	2008	2007
	\$	\$
Revenue	-	-
Other Income:		
Interest	62,095	2,339
Sundry income	190	10,954
	<u>62,285</u>	<u>13,293</u>
Gain on disposal of subsidiaries and forgiveness of loans on completion of Deed of Company Arrangement (DOCA) ^(a)	<u>7,527,286</u>	-

(a) On 8 August 2007, the parent entity disposed of 100% of its interest in all of its subsidiaries under the terms of a Deed of Company Arrangement (DOCA) for \$300,000 cash consideration. The carrying value of Atlantic Limited's investment in the subsidiaries was \$90 at the time of the disposal. As the disposal of the subsidiaries formed part of the DOCA, the gain on disposal of the subsidiaries has been included in the income statement together with the gain on forgiveness of loans, resulting in a total gain of \$7,527,286 to the Company on completion of the DOCA.

NOTE 4: PROFIT/LOSS BEFORE INCOME TAX

Profit/Loss before income tax is after the following expenses

	2008	2007
	\$	\$
Depreciation of Property, Plant and Equipment	-	548
Exchange loss	-	8,300

NOTE 5: INCOME TAX EXPENSE

A. Reconciliation

The income tax expense (benefit) for the financial year differs from the amount calculated prima facie on the Profit/(Loss). The differences are reconciled as follows:

	2008	2007
	\$	\$
Profit/(Loss) before income tax	7,268,413	(8,042,989)
Income tax expense/(benefit) calculated @ 30%	2,180,524	(2,412,897)
Tax effect of:		
Non-deductible provisions	-	2,161,025
Other non-deductible expenses	9,587	1,478
Income tax expense (benefit) adjusted for permanent differences	2,190,111	(250,393)
Tax losses not brought to account as future income tax benefits	68,075	250,393
Prior year tax losses applied against income tax expense	(2,258,186)	-
Income tax attributable to operating loss	<u>-</u>	<u>-</u>

Notes to the Financial Statements
For the year ended 30 June 2008

NOTE 5: INCOME TAX EXPENSE (CONTINUED)

B. Future Income Tax Benefits Not Recognised

During the period, the Company materially changed ownership as part of a recapitalisation. As a consequence, the availability to offset prior year tax losses against future assessable income was lost. However, these losses were available to offset the gain from debt forgiveness and disposal of subsidiaries effectuated on completion of the DOCA. Losses incurred since the re-instatement to quotation of the parent entity are available to offset future assessable income.

The parent entity has Australian sourced income tax losses of \$226,916 that are available to offset future assessable income as at 30 June 2008.

The following deferred tax assets are not brought to account, as it is not considered probable that future assessable income is sufficient to enable the benefit from the deductions for the losses to be realised.

	2008	2007
	\$	\$
Deferred tax assets in relation to:		
- Australian sourced tax losses	68,075	2,296,238
	68,075	2,296,238

NOTE 6: AUDITORS' REMUNERATION

	2008	2007
	\$	\$
Remuneration of the auditor of the parent entity for auditing or reviewing the financial report:		
RSM Bird Cameron	3,000	22,000
HLB Mann Judd	10,500	-
	13,500	22,000

NOTE 7: DIVIDENDS

No dividends have been paid during the year. There is no dividend proposed.

NOTE 8: EARNING PER SHARE

	2008	2007
	\$	\$
a. Gain/(loss) used to calculate basic and diluted EPS	7,268,413	(5,689,641)
	7,268,413	(5,689,641)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating:		
Basic EPS	307,340,690	52,235,581
Diluted EPS	370,244,800	52,235,581
	370,244,800	52,235,581

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Notes to the Financial Statements
For the year ended 30 June 2008

NOTE 9: CASH AND CASH EQUIVALENTS

	2008	2007
	\$	\$
Cash at bank and in hand	984,598	9,259

NOTE 10: TRADE AND OTHER RECEIVABLES

	2008	2007
	\$	\$
CURRENT		
Trade receivables	-	-
Other receivables	7,574	85
	<u>7,574</u>	<u>85</u>
NON-CURRENT		
Amounts receivable from:		
- wholly-owned entities	-	14,891,756
Provision for impairment	-	(14,591,756)
	<u>-</u>	<u>300,000</u>

During the year the amount of \$300,000 was received under the Reconstruction Deed.

NOTE 11: OTHER FINANCIAL ASSETS

	2008	2007
	\$	\$
Non Current		
Shares – Controlled entities at cost	-	2,694,950
Less: Provision for impairment	-	(2,694,860)
	<u>-</u>	<u>90</u>

NOTE 12: TRADE AND OTHER PAYABLES

Unsecured liabilities		
Trade payables	23,331	200,537
Sundry payables and accrued expenses	17,000	181,227
	<u>40,331</u>	<u>381,764</u>

NOTE 13: BORROWINGS

Non-Current		
Unsecured liabilities	-	8,827,461
	<u>-</u>	<u>8,827,461</u>

Non-current unsecured liabilities relate to amounts due to the Rotondella Group. Interest was previously charged at the rate of 10% per annum, but was suspended on 31 January 2007 due to the parent entity entering Voluntary Administration.

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Notes to the Financial Statements
For the year ended 30 June 2008

NOTE 14: ISSUED CAPITAL

	2008	2007
	\$	\$
336,117,791 (2007: 52,235,581) fully paid ordinary shares	14,882,114	12,298,895

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	No.	\$
<i>Movements in ordinary shares on issue</i>		
At 1 July 2007	52,235,581	12,298,895
Consolidation of share capital on 8/8/07	(26,117,790)	-
Issue of shares @ \$0.005 on 8/8/07	70,000,000	350,000
Issue of shares @ \$0.01 on 8/8/07	240,000,000	2,400,000
Issue costs	-	(166,781)
At 30 June 2008	336,117,791	14,882,114

NOTE 15: SEGMENT REPORTING

Atlantic Limited operates in one business and geographical segment being the pearl marketing industry in Australia.

NOTE 16: CASH FLOW INFORMATION

	Parent Entity	
	2008	2007
	\$	\$
Reconciliation of Cash Flows from operations with Loss after Income Tax		
Gain/(Loss) after income tax	7,268,413	(8,042,989)
Non-cash flows in profit		
Depreciation	-	548
Loss on sale of equipment	-	94,200
Impairment of assets/ intangibles/investments	-	504
(Increase)/decrease in trade receivables	(7,574)	7,039,240
(Increase)/decrease in prepayments	-	1,033
Gain on disposal of subsidiaries and forgiveness of loans on completion of a Deed of Company Arrangement (DOCA)	(7,527,286)	-
Increase/(decrease) in payables and accruals	(291,433)	713,836
Increase/(decrease) in provisions	-	(11,512)
Cash flows from operations	(557,880)	(205,140)

Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 17: EVENTS AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

NOTE 18: RELATED PARTY TRANSACTIONS

A. Directors

The names of persons who were directors of Atlantic Limited at any time during the financial year are as follows:

- John Hannaford (appointed 4 July 2007)
- Jim Malone (appointed 4 July 2007)
- Anthony Veitch (appointed 4 July 2007)
- Guiseppe Rotondella (resigned 4 July 2007)
- Sergio DeCeglie (resigned 4 July 2007)
- Edel Conroy (resigned 4 July 2007)

B. Remuneration and Retirement Benefits

Information on remuneration and retirement benefits of directors are disclosed in Note 19.

C. Transactions with Director and Director related entities

Transactions were undertaken between the Company and the following related parties:

- Riverview Corporation Pty Ltd, a company in which Mr John Hannaford has a beneficial interest, was paid directors fees of \$29,435. As at 30 June 2008, an amount of \$2,500 GST exclusive was owed to Riverview Corporation Pty Ltd.
- Kilkenny Enterprises Pty Ltd, a company in which Mr Jim Malone has a beneficial interest, was paid directors fees of \$29,435. As at 30 June 2008, an amount of \$2,500 GST exclusive was owed to Kilkenny Enterprises Pty Ltd.
- Ardath Investments Pty Ltd, a company in which Mr Anthony Veitch has a beneficial interest, was paid directors fees of \$29,435. As at 30 June 2008, an amount of \$2,500 GST exclusive was owed to Ardath Investments Pty Ltd.
- Ventnor Capital Pty Ltd, a company in which Mr John Hannaford has a beneficial interest, was paid for executive directors fees, bookkeeping, financial administration and serviced office charges during the period, as set out below:

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Notes to the Financial Statements
For the year ended 30 June 2008

NOTE 18: RELATED PARTY TRANSACTIONS (CONTINUED)

<u>Type of Transaction</u>	2008	2007
	\$	\$
Executive directors fees	27,258	-
Bookkeeping and financial administration	32,848	-
Serviced office charges (exclusive of GST)	54,516	-
Corporate advisory services/DOCA assistance	-	100,000

At 30 June 2008, an amount of \$18,250 was owed to Ventnor Capital Pty Ltd (2007: \$100,000).

As part of the recapitalisation of the Company in August 2007, Ventnor Capital Pty Ltd and/or its nominees were issued 70,000,000 shares and 70,000,000 options. Included in this figure were shares and options issued to the following directors:

	Shares	Options
John Hannaford	14,000,000	14,000,000
Jim Malone	2,000,000	2,000,000
Anthony Veitch	2,000,000	2,000,000
TOTAL	18,000,000	18,000,000

All transactions with related parties are on normal commercial terms and conditions unless otherwise stated.

NOTE 19: KEY MANAGEMENT PERSONNEL

(a) Shareholdings

Year Ended 30 June 2008

Number of Shares held by Directors and Key Management Personnel

	Balance 1 July 2007	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2008
John Hannaford	-	-	-	20,227,300	20,227,300
Jim Malone	-	-	-	3,000,000	3,000,000
Anthony Veitch	-	-	-	6,000,000	6,000,000
TOTAL	-	-	-	29,227,300	29,227,300

ATLANTIC LTD
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Notes to the Financial Statements
For the year ended 30 June 2008

NOTE 19: KEY MANAGEMENT PERSONNEL (CONTINUED)

Year Ended 30 June 2007

	Balance 1 July 2006	Received as Remuneration	Options Exercised	Net Change Other	Balance 30 June 2007
John Hannaford	-	-	-	-	-
Jim Malone	-	-	-	-	-
Anthony Veitch	-	-	-	-	-
Guiseppe Rotondella*	44,905,179	-	-	-	44,905,179
Sergio DeCeglie*	138,501	-	-	-	138,501
Edel Conroy*	17,500	-	-	-	17,500
TOTAL	45,061,180	-	-	-	45,061,180

* Previous Directors resigned on 4 July 2007.

(b) Remuneration

The remuneration of Directors and Key Management Personnel is disclosed in the Remuneration Report section of the Directors' Report and is not duplicated in this note.

(c) Retirement Benefits of Directors

There were no amounts paid during the year in respect of the retirement of Directors.

NOTE 20: FINANCIAL INSTRUMENTS

The Company's financial instruments consist mainly of deposits with bank, accounts receivable and payable, and loans to subsidiaries.

The main purpose of non-derivative financial instruments is to raise finance for Company operations. The Company does not speculate in the trading of derivative instruments.

(i) Currency Risk

The main risk the Company is exposed to through its financial instruments is foreign currency risk. The Company is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Company's measurement currency.

At the date of this report the company has no transactions denominated in foreign currencies; hence exposure to exchange rate fluctuations has no material effect on the financial statements.

(ii) Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate facilities are maintained and adequate funds available to meet the liabilities as and when they fall due.

(iii) Credit Risk

The maximum exposure to credit risk, at balance date is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables.

ATLANTIC LTD
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Notes to the Financial Statements

For the year ended 30 June 2008

NOTE 20: FINANCIAL INSTRUMENTS (CONTINUED)

(iv) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2008	Non Interest Bearing \$	Floating Interest Rate \$	TOTAL \$
<i>Financial assets</i>			
Cash assets	-	984,598	984,598
Receivables	7,574	-	7,574
Total Financial Assets	7,574	984,598	992,172
Weighted average effective interest rate	-	6.76%	-
<i>Financial liabilities</i>			
Payables	40,331	-	40,331
Total Financial Liabilities	40,331	-	40,331

2007	Non Interest Bearing \$	Floating Interest Rate \$	Fixed interest maturing within		TOTAL \$
			1 year \$	1 to 5 years \$	
<i>Financial assets</i>					
Cash assets	-	9,259	-	-	9,259
Receivables	300,085	-	-	-	300,085
Total Financial Assets	300,085	9,259	-	-	309,344
Weighted average effective interest rate	-	4.5%	-	-	-
<i>Financial liabilities</i>					
Payables	381,764	-	-	-	381,764
Loans	-	-	-	8,827,461	8,827,461
Total Financial Liabilities	381,764	-	-	8,827,461	9,209,225
Weighted average effective interest rate	-	-	-	10.0%	-

Interest rate risk sensitivity analysis:

Risk Variable	Sensitivity*	Effect On:		Effect On:	
		Profit 2008 \$	Profit 2007 \$	Equity 2008 \$	Equity 2007 \$
Interest Rate	+ 0.50%	3,436	-	3,436	-
	- 0.50%	(3,436)	-	(3,436)	-

*The method used to arrive at the possible change of 50 basis points was based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, there was a bias towards an increase in interest rate ranging between 0 to 50 basis points. It is considered that 50 basis points is a 'reasonably possible' estimate as it accommodates for the maximum variations inherent in the interest rate movement over the past five years.

NOTE 21: COMPANY DETAILS

The registered office and principal place of business of the Company is:
Level 2, 16 Altona Street, West Perth WA 6005

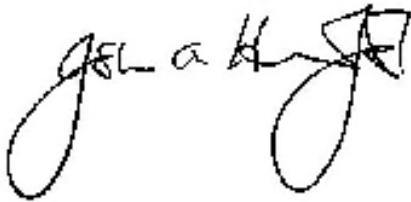
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Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes, as set out on pages 15 to 31 are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the year ended on that date.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

the Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'JEL a H J A', with a large, stylized flourish at the end.

Dated this 26th day of August 2008

INDEPENDENT AUDITOR'S REPORT

To the members of Atlantic Limited

Report on the Financial Report

We have audited the accompanying financial report of Atlantic Limited ("the company"), which comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year ended on that date, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Basis for Qualified Auditor's Opinion

As disclosed in Note 1(M) to the financial report and as required by Australian Accounting Standard AASB 127 "Consolidated and Separate Financial Statements", a consolidated financial report has not been prepared due to a lack of information in respect of subsidiary companies which formed part of the consolidated entity up to the date of their disposal, 8 August 2007. Accordingly, the Company has elected to prepare only a parent entity financial report. This represents a departure from AASB 127, which requires that consolidated information be presented where a consolidated entity was in existence for any part of the financial period.

Qualified Auditor's Opinion

In our opinion, except for the matter noted in the preceding paragraph:

- (a) the financial report of Atlantic Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Atlantic Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.



HLB MANN JUDD
Chartered Accountants



Perth, Western Australia
26 August 2008

L DI GIALLONARDO
Partner