

Alta Advisers Limited

Annual Report and Financial Statements

For the year ended 30 June 2016



Alta Advisers Limited

Company Information

Directors	N E H Ferguson L A Smiley D S Barley A J Leibowitz K A Jarrett M J S Clarke	(Appointed 3 September 2015) (Appointed 3 September 2015)
Secretary	M J S Clarke	
Company number	03150197	
Registered office	8 Lancelot Place London SW7 1DR	
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	
Bankers	HSBC Private Bank (UK) Limited 78 St James' Street London SW1A 1JB	

Alta Advisers Limited

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Alta Advisers Limited

Strategic Report

For the year ended 30 June 2016

Principal activities

The principal activity of the company is the provision of investment advisory and investment management services. Income is derived from both ongoing advisory/management fees and performance fees.

Fair review of the business

Principal risks and uncertainties

Investment markets are unpredictable. Significant changes in these markets could impact Alta's revenue stream or its client base. Therefore, the company follows an investment programme to manage the risks inherent in investment markets.

Development and performance

The results reported in these financial statements are for the year ended 30 June 2016, with profit and loss comparatives for the year ending 30 June 2015. Alta's consolidated profit on ordinary activities before taxation decreased to a profit of £435,084 in 2016 from a profit of £945,095 in 2015. Turnover decreased from £48.5 million to £42.2 million and cost of sales expenses decreased from £38.1 million to £30.2 million. Administrative expenses decreased by £0.1 million to £0.9 million.

Shareholders' funds at the end of June 2016 were £7.5 million.

In future periods it is expected Alta will continue to provide investment advisory and investment management services.

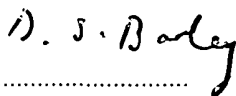
Key performance indicators

The current key performance indicators for the business are:

- Turnover and profitability, and
- The ability to generate performance fees.

Alta does not use any non-financial indicators.

On behalf of the board



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D S Barley

Director

22 February 2016

Alta Advisers Limited

Directors' Report

For the year ended 30 June 2016

The directors present their report and financial statements for the year ended 30 June 2016.

Directors

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

N E H Ferguson

L A Smiley

D S Barley

A J Leibowitz

K A Jarrett

(Appointed 3 September 2015)

M J S Clarke

(Appointed 3 September 2015)

Results and dividends

The results for the year are set out on page 6.

An interim dividend of £300,000 was declared and paid in the year (2015 - £1,000,000).

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditors

In accordance with the company's articles, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put at a general meeting.

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

- select suitable accounting policies and then apply them consistently;
- make 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Alta Advisers Limited

Directors' Report (Continued)

For the year ended 30 June 2016

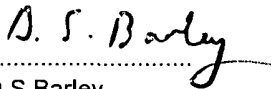
Statement of disclosure to auditors

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 auditors are 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 auditors are aware of that information.

Pillar 3 minimum disclosure requirements

The company's Pillar 3 minimum disclosure requirements report is included in Appendix I to the accounts.

On behalf of the board



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D S Barley

Director

22 SEPTEMBER 2016

Alta Advisers Limited

Independent Auditors' Report

To the Members of Alta Advisers Limited

We have audited the financial statements of Alta Advisers Limited for the year ended 30 June 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's member those matters which we are required to include in an auditors' report addressed to it. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Alta Advisers Limited

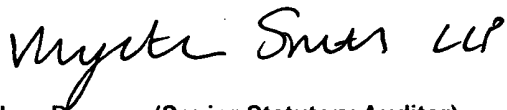
Independent Auditors' Report (Continued)

To the Members of Alta Advisers Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Dawson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Chartered Accountants
Statutory Auditor

26 September 2016

Devonshire House
60 Goswell Road
London
EC1M 7AD

Alta Advisers Limited

Consolidated Profit and Loss Account For the year ended 30 June 2016

	Notes	2016 £	2015 £
Turnover	3	42,158,689	48,543,665
Cost of sales		(30,203,832)	(38,176,646)
Gross profit		11,954,857	10,367,019
Administrative expenses		(885,236)	(1,025,606)
Other operating income		83,005	177,453
Charitable donations		(10,739,652)	(8,595,619)
Operating profit	4	412,974	923,247
Interest receivable and similar income	8	22,110	21,847
Profit on ordinary activities before taxation		435,084	945,094
Tax on profit on ordinary activities	9	(93,996)	(217,795)
Profit on ordinary activities after taxation		341,088	727,299

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Alta Advisers Limited

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2016

	2016 £	2015 £
Profit for the year	341,088	727,299
Other comprehensive income net of taxation		
Currency translation differences on foreign currency net investments	151,003	3,430
Total comprehensive income for the year	<u>492,091</u>	<u>730,729</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

Alta Advisers Limited

Group Balance Sheet

As at 30 June 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	11	16,760		28,229	
Tangible assets	12	758,599		585,027	
		<u>775,359</u>		<u>613,256</u>	
Current assets					
Debtors	16	2,622,899		9,014,475	
Cash at bank and in hand		5,725,706		4,635,950	
		<u>8,348,605</u>		<u>13,650,425</u>	
Creditors: amounts falling due within one year	17	<u>(1,516,616)</u>		<u>(6,854,632)</u>	
Net current assets		<u>6,831,989</u>		<u>6,795,793</u>	
Total assets less current liabilities		<u>7,607,348</u>		<u>7,409,049</u>	
Creditors: amounts falling due after more than one year	18	-		(5,792)	
Provisions for liabilities	20	(66,000)		(54,000)	
		<u>7,541,348</u>		<u>7,349,257</u>	
Capital and reserves					
Called up share capital	23	1,100,000		1,100,000	
Other reserves		120,219		(30,784)	
Profit and loss reserves		6,321,129		6,280,041	
Shareholders' funds		<u>7,541,348</u>		<u>7,349,257</u>	

The financial statements were approved by the Board of directors and authorised for issue on 22 September 2016 and are signed on its behalf by:

D. S. Barley

 D S Barley
 Director

Alta Advisers Limited

Company Balance Sheet

As at 30 June 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	11	16,760		28,229	
Tangible assets	12	649,505		435,471	
Investments	13	396,825		396,825	
			1,063,090		860,525
Current assets					
Debtors	16	2,330,860		8,778,870	
Cash at bank and in hand		5,033,694		4,230,431	
			7,364,554		13,009,301
Creditors: amounts falling due within one year	17	(1,432,836)		(6,818,654)	
Net current assets			5,931,718		6,190,647
Total assets less current liabilities			6,994,808		7,051,172
Provisions for liabilities	20	(66,000)		(54,000)	
			6,928,808		6,997,172
Capital and reserves					
Called up share capital	23	1,100,000		1,100,000	
Profit and loss reserves		5,828,808		5,897,172	
Shareholders' funds			6,928,808		6,997,172

The financial statements were approved by the board of directors and authorised for issue on 22 SEPTEMBER 2016 and are signed on its behalf by:

D. S. Barley

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D S Barley
Director

Company Registration No. 03150197

Alta Advisers Limited

Group Statement of Changes in Equity

For the year ended 30 June 2016

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 July 2014		1,100,000	(34,214)	6,552,742	7,618,528
Period ended 30 June 2015:					
Profit for the year		-	-	727,299	727,299
Dividends	10	-	-	(1,000,000)	(1,000,000)
Other comprehensive income for the year		-	3,430	-	3,430
Balance at 30 June 2015		1,100,000	(30,784)	6,280,041	7,349,257
Period ended 30 June 2016:					
Profit for the year		-	-	341,088	341,088
Dividends	10	-	-	(300,000)	(300,000)
Other comprehensive income for the year		-	151,003	-	151,003
Balance at 30 June 2016		1,100,000	120,219	6,321,129	7,541,348

Other reserves consists of foreign currency translation differences

Alta Advisers Limited

Company Statement of Changes in Equity

For the year ended 30 June 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2014		1,100,000	6,260,019	7,360,019
Period ended 30 June 2015:				
Profit and total comprehensive income for the year		-	637,153	637,153
Dividends	10	-	(1,000,000)	(1,000,000)
Balance at 30 June 2015		1,100,000	5,897,172	6,997,172
Period ended 30 June 2016:				
Profit and total comprehensive income for the year		-	231,636	231,636
Dividends	10	-	(300,000)	(300,000)
Balance at 30 June 2016		1,100,000	5,828,808	6,928,808

Alta Advisers Limited

Consolidated Statement of Cash Flows

For the year ended 30 June 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29	2,081,135		(161,167)	
Income taxes paid		(209,265)		(134,932)	
Net cash inflow/(outflow) from operating activities		1,871,870		(296,099)	
Investing activities					
Purchase of intangible assets		(2,900)		(31,150)	
Purchase of tangible fixed assets		(498,821)		(96,918)	
Proceeds on disposal of tangible fixed assets	20	20		569	
Interest received		22,110		21,847	
Net cash used in investing activities		(479,591)		(105,652)	
Financing activities					
Payment of finance leases obligations		(2,523)		(2,957)	
Dividends paid to equity shareholders		(300,000)		(1,000,000)	
Net cash used in financing activities		(302,523)		(1,002,957)	
Net increase/(decrease) in cash and cash equivalents		1,089,756		(1,404,708)	
Cash and cash equivalents at beginning of year		4,635,950		6,040,658	
Cash and cash equivalents at end of year		5,725,706		4,635,950	

Alta Advisers Limited

Notes to the Financial Statements

For the year ended 30 June 2016

1 Accounting policies

Company information

Alta Advisers Limited ("the Company") is a private company limited by shares that is domiciled and incorporated in England and Wales. The registered office is 8 Lancelot Place, London, SW7 1DR.

The Group consists of Alta Advisers Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 30 June 2016 are the first financial statements of Alta Advisers Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 July 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 30.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £231,636 (2015 - £637,153 profit).

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

1 Accounting policies

(Continued)

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Alta Advisers Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 June 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Fee income represents revenue earned under contracts to provide investment advisory and management services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software

Straight line over 3 years

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Plant and machinery	Straight line over 3 years
Fixtures, fittings & equipment	Straight line over 4 years

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

1.7 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

1 Accounting policies

(Continued)

1.9 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables 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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

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

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

1 Accounting policies

(Continued)

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.16 Foreign exchange

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 profit and loss account for the period.

1.17 Long term incentive schemes

The company operates long term incentive schemes for certain employees. The schemes operate over a number of defined multi-year performance periods against strict sets of performance criteria. Based on these criteria, a liability under the scheme only crystallises at the end of a performance period.

At the end of each accounting period, whether before or at the end of a performance period, an assessment is made in accordance with scheme rules as to whether a payment is to be made. Where an award is due to be made, it and the associated recoverable fee income are accrued.

1.18 Liquid resources

The company considers that its liquid resources are cash at bank.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates 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 estimate 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.

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic life of tangible fixed assets

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property, plant and equipment and note 1.6 for the useful economic lives for each class of asset.

Useful economic life of intangible fixed assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Goodwill impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the cash generating unit and a suitable discount rate to calculate present value. See note 11 for the carrying amount of the intangible assets and note 1.5 for the useful economic lives for each class of asset.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
Turnover		
Investment advisory fees	33,754,303	40,214,310
Investment management fees	7,353,426	7,199,740
Other fees	1,050,960	1,129,615
	<u>42,158,689</u>	<u>48,543,665</u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom and Channel Islands	322,309	218,246
Cayman Islands and Bermuda	41,836,380	48,324,169
Other	-	1,250
	<u>42,158,689</u>	<u>48,543,665</u>

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Foreign exchange gains	(49,241)	(12,000)
Depreciation of owned tangible fixed assets	336,981	294,405
Loss on disposal of tangible fixed assets	7,514	177
Amortisation of intangible assets	14,369	38,462
Operating lease charges	581,249	577,990
	<u> </u>	<u> </u>

5 Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	22,191	26,601
	<u> </u>	<u> </u>
For other services		
Other non-audit services	12,882	9,575
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2016 Number	2015 Number
Investment advisory and investment management	26	27
Administration and secretarial	13	13
	<u> </u>	<u> </u>
	39	40
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	20,137,774	27,639,771
Social security costs	2,684,441	3,718,103
Pension costs	571,388	499,666
	<u> </u>	<u> </u>
	23,393,603	31,857,540
	<u> </u>	<u> </u>

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	2,963,980	13,972,362
Company pension contributions to defined contribution schemes	143,249	42,083
	<u>3,107,229</u>	<u>14,014,445</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 2).

The directors are the group's key management personnel.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	2,006,743	12,447,346
Company pension contributions to defined contribution schemes	90,429	-
	<u>2,097,172</u>	<u>12,447,346</u>

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	<u>22,110</u>	<u>21,847</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>22,110</u>	<u>21,847</u>
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Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	58,530	187,814
Deferred tax		
Deferred tax charge current year	35,466	29,981
Total tax charge	<u>93,996</u>	<u>217,795</u>

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2016 £	2015 £
Profit before taxation	<u>435,084</u>	<u>945,094</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%)</i>	87,017	196,107
Tax effect of expenses that are not deductible in determining taxable profit	36,503	14,918
Depreciation	53,083	45,825
Capital allowances	(90,120)	(42,534)
Other tax adjustments	(27,953)	(33,023)
Deferred tax charge current year	35,466	29,981
Transition adjustments	-	6,521
Tax expense for the year	<u>93,996</u>	<u>217,795</u>

10 Dividends

	2016 £	2015 £
Ordinary Interim paid	300,000	1,000,000
	<u>300,000</u>	<u>1,000,000</u>

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

11 Intangible fixed assets

Group	Software £
Cost	
At 1 July 2015	257,919
Additions	2,900
Disposals	(255)
At 30 June 2016	260,564
Amortisation	
At 1 July 2015	229,690
Amortisation charged for the year	14,369
Disposals	(255)
At 30 June 2016	243,804
Carrying amount	
At 30 June 2016	16,760
At 30 June 2015	28,229
Company	Software £
Cost	
At 1 July 2015	257,919
Additions	2,900
Disposals	(255)
At 30 June 2016	260,564
Amortisation	
At 1 July 2015	229,690
Amortisation charged for the year	14,369
Disposals	(255)
At 30 June 2016	243,804
Carrying amount	
At 30 June 2016	16,760
At 30 June 2015	28,229

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

12 Tangible fixed assets

Group	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 July 2015	758,846	1,047,822	369,708	2,176,376
Additions	-	439,216	59,605	498,821
Disposals	-	(18,706)	(44,999)	(63,705)
At 30 June 2016	758,846	1,468,332	384,314	2,611,492
Depreciation				
At 1 July 2015	384,295	875,720	331,335	1,591,350
Depreciation charged in the year	129,476	178,102	29,403	336,981
Exchange differences	(11,200)	(6,307)	(1,760)	(19,267)
Eliminated in respect of disposals	-	(18,417)	(37,754)	(56,171)
At 30 June 2016	502,571	1,029,098	321,224	1,852,893
Carrying amount				
At 30 June 2016	256,275	439,234	63,090	758,599
At 30 June 2015	374,551	172,102	38,374	585,027
Company				
	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 July 2015	560,361	839,660	338,309	1,738,330
Additions	-	413,009	59,605	472,614
Disposals	-	(18,013)	(44,999)	(63,012)
At 30 June 2016	560,361	1,234,656	352,915	2,147,932
Depreciation				
At 1 July 2015	302,057	685,572	315,230	1,302,859
Depreciation charged in the year	60,834	167,826	22,386	251,046
Eliminated in respect of disposals	-	(17,724)	(37,754)	(55,478)
At 30 June 2016	362,891	835,674	299,862	1,498,427
Carrying amount				
At 30 June 2016	197,470	398,982	53,053	649,505
At 30 June 2015	258,304	154,088	23,079	435,471

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

13 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	14	-	-	396,825	396,825

14 Subsidiaries

Details of the company's subsidiaries at 30 June 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect
Alta Advisers Pte. Ltd.	Singapore	Dormant	Ordinary	100
Alta Asset Management Pte. Ltd.	Singapore	Dormant	Ordinary	100
Maywood Asset Management Pte. Ltd.	Singapore	Investment management services	Ordinary	100

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit £	Capital and Reserves £
Maywood Asset Management Pte. Ltd.	109,452	1,009,365

Alta Advisers Pte. Ltd. and Alta Asset Management Pte. Ltd. have not been consolidated as they are dormant in the period.

15 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	681,561	7,160,603	630,232	7,143,165
Equity instruments measured at cost less impairment	-	-	396,825	396,825
Carrying amount of financial liabilities				
Measured at amortised cost	1,150,443	6,020,724	1,066,663	5,978,927

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

16 Debtors

	Group 2016	2015	Company 2016	2015
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	16,034	60,505	16,034	60,505
Amounts due from fellow group undertakings	52,850	-	53,058	19,917
Other debtors	197,237	177,587	137,276	124,306
Prepayments and accrued income	2,279,933	8,676,956	2,124,492	8,574,142
	<u>2,546,054</u>	<u>8,915,048</u>	<u>2,330,860</u>	<u>8,778,870</u>
Amounts falling due after one year:				
Deferred tax asset (note 21)	76,845	99,427	-	-
	<u>76,845</u>	<u>99,427</u>	<u>-</u>	<u>-</u>
Total debtors	<u>2,622,899</u>	<u>9,014,475</u>	<u>2,330,860</u>	<u>8,778,870</u>

17 Creditors: amounts falling due within one year

	Group 2016	2015	Company 2016	2015
	£	£	£	£
Trade creditors	503,639	401,328	447,850	398,062
Corporation tax payable	48,080	198,824	48,080	198,824
Other taxation and social security	202,202	480,881	202,202	480,881
Amounts due to fellow group undertakings	2,784	-	-	-
Other creditors	-	67,611	-	67,611
Accruals and deferred income	756,642	5,705,988	734,704	5,673,276
Obligations under finance leases 19	3,269	-	-	-
	<u>1,516,616</u>	<u>6,854,632</u>	<u>1,432,836</u>	<u>6,818,654</u>

18 Creditors: amounts falling due after more than one year

	Group 2016	2015	Company 2016	2015
	£	£	£	£
	Notes			
Obligations under finance leases 19	-	5,792	-	-
	<u>-</u>	<u>5,792</u>	<u>-</u>	<u>-</u>

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

19 Finance lease obligations

	Group 2016 £	2015 £	Company 2016 £	2015 £
Future minimum lease payments due under finance leases:				
Within one year	3,269	-	-	-
In two to five years	-	5,792	-	-
	<u>3,269</u>	<u>5,792</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the group for certain items of plant and machinery. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The carrying value of the asset at the year end is £3,269 (2015: £5,792).

20 Provisions for liabilities

	Group 2016 £	2015 £	Company 2016 £	2015 £
Dilapidation provision	<u>66,000</u>	<u>54,000</u>	<u>66,000</u>	<u>54,000</u>

Movements on provisions:

Group	£
At 1 July 2015	54,000
Additional provisions in the year	<u>12,000</u>
At 30 June 2016	<u>66,000</u>
Company	£
At 1 July 2015	54,000
Additional provisions in the year	<u>12,000</u>
At 30 June 2016	<u>66,000</u>

The dilapidations provision is intended to cover the cost of remedial work to repair the premises to the landlord's specification at the end of the lease term as required by the lease. The amount of the resulting payment is expected to be around £102,000.

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2016 £	Assets 2015 £
Group		
Accelerated capital allowances	76,845	79,531
Tax losses	-	19,896
	<u>76,845</u>	<u>99,427</u>

The company has no deferred tax assets or liabilities.

	Group 2016 £	Group 2015 £
Movements in the year:		
Charge to profit or loss	35,466	29,981

The deferred tax asset set out above is expected to reverse within 36 months and relates to accelerated capital allowances that are expected to mature within the same period.

22 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	<u>571,388</u>	<u>499,666</u>

A defined contribution pension scheme is operated for all qualifying directors and employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	Group and company 2016 £	2015 £
Ordinary share capital		
Authorised, issued and fully paid		
1,100,000 Ordinary shares of £1 each	<u>1,100,000</u>	<u>1,100,000</u>

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

24 Financial commitments, guarantees and contingent liabilities

A possible contingent liability exists in relation to the supply of pension fund management services from 2003 to 31 March 2012 which were, throughout the period, subject to VAT at the various rates applicable during the period. There is outstanding litigation between other parties and HMRC as to whether such supplies should have been treated as exempt supplies and not subject to VAT. The test case in this litigation was referred to the European Court of Justice (CJEU), which ruled such supplies were subject to VAT. HMRC have subsequently informed the company of another piece of litigation submitted to the CJEU claiming the same exemption on different grounds, behind which Alta's treatment will sit.

If it is ruled that the supplies should have been treated as exempt supplies, this would result in a repayment by the company of VAT to certain pension fund clients. At the same time, the company could claim a similar repayment from HMRC. However, in this instance, the company would be treated as partially exempt throughout the period, and the company's claim against HMRC would be reduced by the proportion of the affected income.

The company has submitted claims to HMRC covering the period from 2003 to 31 March 2012, having ceased the supply of pension fund management services in November 2011.

As at 30 June 2016, the company estimates its liability to certain pension fund clients, excluding interest, to be £1,605,000. Net of related repayment from HMRC, but excluding interest, this liability is estimated to reduce to £238,000 as at 30 June 2016.

No provision has been recognised in these accounts due to the uncertainty surrounding the outstanding litigation.

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

25 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Within one year	625,476	639,752	464,113	465,668
Between two and five years	996,889	1,598,362	996,889	1,461,002
	<u>1,622,365</u>	<u>2,238,114</u>	<u>1,461,002</u>	<u>1,926,670</u>

26 Capital commitments

At 30 June 2016 the group had capital commitments as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Contracted for but not provided in the financial statements:				
Acquisition of intangible assets	<u>338,598</u>	<u>-</u>	<u>338,598</u>	<u>-</u>

As at 30 June 2016 the company was committed to paying for consultancy and subscription costs in relation to the development of a bespoke software application.

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

27 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by itself as the ultimate parent company.

The company incurred the following amounts to related parties during the period;

- £11,181 (2015: £10,902) to British Sky Broadcasting Group Plc for television services, of which N. E. Ferguson was a director until May 2016. There are amounts of £1,141 (2015: £1,116) outstanding at 30 June 2016.

- £nil (2015: £35,071) to Taylor Wessing, solicitors, of which P. F. Blake-Roberts is a consultant, up to P. F. Blake-Roberts resignation date.

- £50,000 (2015: £14,114) to Hanover Acceptances Limited for non executive director's fees, of which A J Leibowitz is a director. There are amounts of £12,500 (2015: £5,914) outstanding at 30 June 2016.

- £50,000 to CDK Associates Limited, which has a director, C J Sheridan, in common with a group company, TAK Advisory Limited for business consultancy.

28 Controlling party

Alta Advisers Limited is a wholly owned subsidiary of Stichting Polar Lights, a charitable foundation registered in the Netherlands.

The registered address of Stichting Polar Lights is Nieuwendammerkade 26G, 1022 Amsterdam.

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

29 Cash generated from operations	2016 £	2015 £
Profit for the year after tax	341,088	727,299
Adjustments for:		
Taxation charged	93,996	217,795
Investment income	(22,110)	(21,847)
Operating profit	412,974	923,247
Loss on disposal of tangible fixed assets	7,514	177
Amortisation and impairment of intangible assets	14,369	38,462
Depreciation and impairment of tangible fixed assets	336,981	294,405
Foreign exchange gains	131,736	(1,087)
Increase in provisions	12,000	12,000
Movements in working capital:		
Decrease/(increase) in debtors	6,391,576	(6,832,789)
(Decrease)/increase in creditors	(5,226,015)	5,404,418
Cash generated from/(absorbed by) operations	2,081,135	(161,167)

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

30 Reconciliations on adoption of FRS 102

Reconciliation of equity - group

	Notes	At 1 July 2014			At 30 June 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Intangible assets	1	-	35,541	35,541	-	28,229	28,229
Tangible assets	1	814,284	(35,541)	778,743	613,256	(28,229)	585,027
		<u>814,284</u>	<u>-</u>	<u>814,284</u>	<u>613,256</u>	<u>-</u>	<u>613,256</u>
Current assets							
Debtors		2,181,686	-	2,181,686	9,014,475	-	9,014,475
Bank and cash		6,040,658	-	6,040,658	4,635,950	-	4,635,950
		<u>8,222,344</u>	<u>-</u>	<u>8,222,344</u>	<u>13,650,425</u>	<u>-</u>	<u>13,650,425</u>
Creditors due within one year							
Taxation		(412,306)	-	(412,306)	(679,705)	-	(679,705)
Other creditors	2	(872,124)	(82,921)	(955,045)	(6,060,582)	(114,345)	(6,174,927)
		<u>(1,284,430)</u>	<u>(82,921)</u>	<u>(1,367,351)</u>	<u>(6,740,287)</u>	<u>(114,345)</u>	<u>(6,854,632)</u>
Net current assets		<u>6,937,914</u>	<u>(82,921)</u>	<u>6,854,993</u>	<u>6,910,138</u>	<u>(114,345)</u>	<u>6,795,793</u>
Total assets less current liabilities		<u>7,752,198</u>	<u>(82,921)</u>	<u>7,669,277</u>	<u>7,523,394</u>	<u>(114,345)</u>	<u>7,409,049</u>
Creditors due after one year							
Finance leases		(8,749)	-	(8,749)	(5,792)	-	(5,792)
Provisions for liabilities							
Other provisions		(42,000)	-	(42,000)	(54,000)	-	(54,000)
Net assets		<u>7,701,449</u>	<u>(82,921)</u>	<u>7,618,528</u>	<u>7,463,602</u>	<u>(114,345)</u>	<u>7,349,257</u>
Capital and reserves							
Share capital		1,100,000	-	1,100,000	1,100,000	-	1,100,000
Other reserves		(34,214)	-	(34,214)	(30,784)	-	(30,784)
Profit and loss	2	6,635,663	(82,921)	6,552,742	6,394,386	(114,345)	6,280,041
Total equity		<u>7,701,449</u>	<u>(82,921)</u>	<u>7,618,528</u>	<u>7,463,602</u>	<u>(114,345)</u>	<u>7,349,257</u>

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

30 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit or loss for the year - group

	Notes	Year ended 30 June 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		48,543,665	-	48,543,665
Cost of sales	2	(38,145,222)	(31,424)	(38,176,646)
Gross profit		10,398,443	(31,424)	10,367,019
Administrative expenses		(1,025,606)	-	(1,025,606)
Other operating income		177,453	-	177,453
Charitable donations		(8,595,619)	-	(8,595,619)
Operating profit		954,671	(31,424)	923,247
Interest receivable and similar income		21,847	-	21,847
Profit before taxation		976,518	(31,424)	945,094
Taxation		(217,795)	-	(217,795)
Profit for the financial period		758,723	(31,424)	727,299

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

30 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of equity - company

	Notes	At 1 July 2014			At 30 June 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Intangible assets	1	-	35,541	35,541	-	28,229	28,229
Tangible assets	1	572,858	(35,541)	537,317	463,700	(28,229)	435,471
Investments		396,825	-	396,825	396,825	-	396,825
		969,683	-	969,683	860,525	-	860,525
Current assets							
Debtors		2,136,273	-	2,136,273	8,778,870	-	8,778,870
Bank and cash		5,510,742	-	5,510,742	4,230,431	-	4,230,431
		7,647,015	-	7,647,015	13,009,301	-	13,009,301
Creditors due within one year							
Taxation		(412,306)	-	(412,306)	(679,705)	-	(679,705)
Other creditors	2	(719,452)	(82,921)	(802,373)	(6,024,604)	(114,345)	(6,138,949)
		(1,131,758)	(82,921)	(1,214,679)	(6,704,309)	(114,345)	(6,818,654)
Net current assets		6,515,257	(82,921)	6,432,336	6,304,992	(114,345)	6,190,647
Total assets less current liabilities		7,484,940	(82,921)	7,402,019	7,165,517	(114,345)	7,051,172
Provisions for liabilities							
Other provisions		(42,000)	-	(42,000)	(54,000)	-	(54,000)
Net assets		7,442,940	(82,921)	7,360,019	7,111,517	(114,345)	6,997,172
Capital and reserves							
Share capital		1,100,000	-	1,100,000	1,100,000	-	1,100,000
Profit and loss	2	6,342,940	(82,921)	6,260,019	6,011,517	(114,345)	5,897,172
Total equity		7,442,940	(82,921)	7,360,019	7,111,517	(114,345)	6,997,172

Alta Advisers Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2016

30 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit or loss for the year - company

	Notes	Year ended 30 June 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		46,737,189	-	46,737,189
Cost of sales	2	(36,669,038)	(31,424)	(36,700,462)
Gross profit		10,068,151	(31,424)	10,036,727
Administrative expenses		(854,298)	-	(854,298)
Other operating income		212,047	-	212,047
Charitable donations		(8,595,619)	-	(8,595,619)
Operating profit		830,281	(31,424)	798,857
Interest receivable and similar income		26,110	-	26,110
Profit before taxation		856,391	(31,424)	824,967
Taxation		(187,814)	-	(187,814)
Profit for the financial period		668,577	(31,424)	637,153

Notes to reconciliations on adoption of FRS 102 - group and company

1. Computer software

Computer software, with a net book value of £28,229 at 30 June 2015 and £35,541 at 1 July 2014, has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the group and company's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation.

2. Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the group and company recognising a liability for holiday pay of £82,921 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 30 June 2015 an additional charge of £31,424 was recognised in the profit and loss account and the liability at 30 June 2015 was £114,345.

Alta Advisers Limited

Additional Non Statutory Information

For the year ended 30 June 2016

Appendix 1

Pillar 3 minimum disclosure requirements

Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position, including disclosure requirements for compensation.

The pillar 3 rules in BIPRU 11 set out the need for firms to have a formal disclosure policy. In accordance with the rules of the Financial Conduct Authority ('FCA') Alta Advisers Limited will disclose the information set out in BIPRU 11 (the pillar 3 rule) on at least an annual basis. In accordance with BIPRU 11.3.3(2) this disclosure has been assessed by Alta Advisers Limited's senior management to comprehensively convey Alta Advisers Limited's risk profile to market participants. The pillar 3 disclosure will be made in the firm's annual report and accounts.

We are permitted to omit the required disclosures if we believe that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information or where they believe that the information is regarded as proprietary or confidential.

In the view of the Directors, proprietary information is that which, if it were shared, would undermine their competitive position. Information is considered to be confidential where there are obligations binding them to confidentiality with their customers, suppliers and counterparties.

Scope and application of the requirements

Alta Advisers Limited ("the Firm") is authorised and regulated by the Financial Conduct Authority ("FCA") and is subject to minimum regulatory capital requirements. The Firm is categorised as a limited licence firm by the FCA for capital purposes. It is an investment management firm and as such has no trading book exposures.

Background

The Firm is an investment firm that provides advisory and management services to a range of onshore and offshore clients. Income is derived from investment advisory / management fees and performance fees.

For its advisory clients, the Firm adopts a diversified portfolio approach. The clients primarily invest with third party managers providing exposure to developed and emerging equities, real assets, absolute return funds and private equity. All relationships are documented in investment management and advisory agreements.

As an investment advisor / manager, the Firm does not make investments on its own behalf or hold client monies. Its key risk is loss of its investment advisory clients. If this risk were to happen, the Firm would have sufficient capital to effect an orderly wind down of its operations.

Risk management

The Firm is governed by its directors who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the Firm's governance that recognise the risks that the business faces.

The directors also determine how the risks faced by the business may be mitigated, and assess on an ongoing basis the arrangements to manage those risks. The directors meet at least quarterly and discuss current projections for profitability, cash flow, regulatory capital management, and business planning and risk management.

Alta Advisers Limited

Additional Non Statutory Information

For the year ended 30 June 2016

The directors have identified that business, operational, market and credit risks are the main areas of risk to which the Firm is exposed. Annually, the directors formally review the Firm's risks, its controls and other risk mitigation arrangements, and assess their effectiveness. Where the directors identify material risks, they consider the financial impact of these risks as part of the Firm's business planning and capital management and conclude whether the amount of regulatory capital is adequate.

Regulatory capital

The Firm is a Limited Liability Company and its capital resources for regulatory purposes are as follows:

Capital item	£'000
Tier 1 capital less innovative tier 1 capital	6,929
Total tier 2, innovative tier 1 and tier 3 capital	0
Deductions from tier 1 and tier 2 capital	(414)
Total capital resources, net of deductions	6,515

The Firm is small with a simple operational infrastructure. The key business risk is that its advisory clients terminate their agreements with immediate effect. However, the Firm would have sufficient funds to effect an orderly wind down of its operations.

Its market risk is limited to a prolonged downturn of the global equity markets, and credit risk from non-payment of advisory, management and performance fees. The Firm follows the standardised approach to market risk and the simplified standard approach to credit risk. The Firm is subject to the Fixed Overhead Requirement and is not required to calculate an operational risk capital charge though it considers such a charge as part of its process to identify the level of risk-based capital required.

As at 30 June 2016 the firms Regulatory capital requirement is £3,484,000. Total capital resources of £6,515,000 exceed the requirement by £3,031,000. As such the Firm's regulatory solvency ratio is 187%.

Alta Advisers Limited

Additional Non Statutory Information

For the year ended 30 June 2016

Remuneration code disclosure

The Firm is also subject to FCA Rules on remuneration, which are contained in the FCA's Remuneration Code located in the SYSC Sourcebook of the FCA's Handbook ("the RemCode").

The Firm's remuneration policy is designed to ensure that it complies with the RemCode and that its compensation arrangements:

1. are consistent with and promote sound and effective risk management;
2. do not encourage excessive risk taking;
3. include measures to avoid conflicts of interest; and
4. are in line with the Firm's business strategy, objectives, values and long-term interests.

Proportionality

Enshrined in the European remuneration provisions is the principle of proportionality. The FCA have sought to apply proportionality in the first instance by categorising firms into 3 tiers. The Firm falls within the FCA's third proportionality tier and as such this disclosure is made in line with the requirements for a Tier 3 Firm.

Application of the requirements

The Firm is required to disclose certain information on at least an annual basis regarding its remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the Firm. This disclosure is made in accordance with the Firm's size, internal organisation, and the nature, scope and complexity of its activities. The Remuneration Code covers an individual's total remuneration, fixed and variable. The Firm incentivises staff through a combination of the two.

1. The Firm's remuneration policy is determined by a Remuneration Committee independent of the Firm's executive team. The Remuneration Committee meets at least quarterly and discusses any remuneration related issues affecting the Firm. The Remuneration Committee reviews and approves each employee's fixed and variable remuneration at least annually.
2. Elements of variable remuneration for certain staff are calculated with reference to the performance of clients' portfolios compared to relevant benchmarks over a period of time. Such performance relative to benchmark is also part of the basis on which elements of fee income are derived from clients and the payment of these elements of variable remuneration is dependent on the prior receipt of related income. Otherwise the fixed and other variable elements of remuneration are determined by an assessment of the role that the individual employee is performing and his or her competence in that role.
3. The Firm only has one business activity, the provision of advisory and management services, and no divisional analysis of remuneration is applicable.
4. The remuneration of staff whose actions have a material impact on the risk profile of the firm, inclusive of pension costs and any variable remuneration paid from long term incentive plans is £17,221,706 for the period ended 30 June 2016.

We may omit required disclosures where we believe that the information could be regarded as prejudicial to the UK or other national transposition of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data. We have made no such omissions on the grounds of data protection.

Alta Advisers Limited

Additional Non Statutory Information

For the year ended 30 June 2016

UK Stewardship Code Compliance

FCA COBS Rule 2:2.3R requires FCA authorised firms to disclose whether they conform to the requirements of the UK Financial Reporting Council's Stewardship Code (the 'Code'). Adherence to the Code is voluntary.

Alta Advisers Limited recommends a diversified portfolio approach to its clients and the execution of this investment strategy is mostly carried out by a range of third party managers. Incidental to this investment strategy, Alta as investment manager carries out limited investment in single equities. Consequently, while the Firm supports the objectives that underlie the Code, some of the provisions of the Code are not relevant to the type of investing currently undertaken by the Firm.

If the Firm's investment strategy changes in such a manner that all of the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.