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Company Registration No. 5407340 (England And Wales)

Alta Holdings Limited

Annual Report

For the year ended 31 December 2006

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Alta Holdings Limited

Directors and advisers

| | | |
|----------------------------|--------------------|----------------------------|
| Directors | R F Wallace | (Appointed 6 March 2006) |
| | N E H Ferguson | (Appointed 1 January 2007) |
| Secretary | P R Manser | |
| Company number | 5407340 | |
| Registered office | 50 Hans Crescent | |
| | London | |
| | SW1X 0NA | |
| | | |
| Registered auditors | Kingston Smith LLP | |
| | Devonshire House | |
| | 60 Goswell Road | |
| | London | |
| | EC1M 7AD | |

Alta Holdings Limited

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Alta Holdings Limited

Directors' Report For the year ended 31 December 2006

The directors present their report and financial statements for the year ended 31 December 2006

Directors

The following directors have held office since 1 January 2006

| | |
|---------------------|---|
| P M Prettejohn | (Resigned 29 January 2007) |
| R F Wallace | (Appointed 6 March 2006) |
| P Stormonth Darling | (Appointed 6 March 2006 and resigned 18 September 2007) |
| A D Hine | (Resigned 6 March 2006) |
| N E H Ferguson | (Appointed 1 January 2007) |

Principal activities

The principal activity of the company continued to be that of a holding company

On 14th February 2006, Alta Holdings Limited acquired the entire ordinary share capital of Alta Advisers Limited from the Trustees of the Marit and Hans Rausing Charitable Foundation

The principal activity of Alta Advisers Limited is the provision of investment advice and investment management services relating to the financial assets of the company's clients

Development and performance during the year

Alta Holdings' profit on ordinary activities before taxation was £2.8 million from turnover of £10.5 million

Members' funds as at 31 December 2006 were £1.9 million

Principal risks and uncertainties

Through its ownership of Alta Advisers Limited, the principal risk and uncertainty of Alta Holdings is the unpredictable nature of investment markets. Significant changes in financial markets could impact Alta Holdings' overall income or its client base.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put to the Annual General Meeting

Alta Holdings Limited

Directors' Report (continued) For the year ended 31 December 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



R F Wallace

Director

23 October 2007

Alta Holdings Limited

Independent Auditors' Report To the members of Alta Holdings Limited

We have audited the financial statements of Alta Holdings Limited for the year ended 31 December 2006 set out on pages 4 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's and the group's affairs as at 31 December 2006 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

V.S.M. J.M. C.M.

Kingston Smith LLP

Chartered Accountants

Registered Auditors

23 October 2007

Devonshire House
60 Goswell Road
London
EC1M 7AD

Alta Holdings Limited

Consolidated Profit And Loss Account For the year ended 31 December 2006

| | Notes | 2006 £ | 2005 £ |
|---|-----------|-------------|-----------|
| Turnover | 2 | 10,539,292 | - |
| Cost of sales | | (7,294,709) | - |
| Gross profit | | 3,244,583 | - |
| Administrative expenses | | (622,460) | (37,923) |
| Operating profit/(loss) | 3 | 2,622,123 | (37,923) |
| Other interest receivable and similar income | | 128,104 | 23 |
| Profit/(loss) on ordinary activities before taxation | | 2,750,227 | (37,900) |
| Tax on profit/(loss) on ordinary activities | 4 | (773,353) | - |
| Profit/(loss) on ordinary activities after taxation | 12 | 1,976,874 | (37,900) |

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

There are no recognised gains and losses other than those passing through the profit and loss account

Alta Holdings Limited

Balance Sheets As at 31 December 2006

| | Notes | Group 2006 £ | 2005 £ | Company 2006 £ | 2005 £ |
|--|-------|--------------------|-----------------|----------------------|-----------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | 599,870 | - | - | - |
| Investments | 8 | - | - | 2,000,000 | - |
| | | <u>599,870</u> | <u>-</u> | <u>2,000,000</u> | <u>-</u> |
| Current assets | | | | | |
| Debtors | 9 | 3,070,899 | - | - | - |
| Cash at bank and in hand | | 2,898,599 | 12,392 | 35,592 | 12,392 |
| | | <u>5,969,498</u> | <u>12,392</u> | <u>35,592</u> | <u>12,392</u> |
| Creditors amounts falling due within one year | 10 | (2,532,394) | (50,292) | (5,287) | (50,292) |
| | | <u>3,437,104</u> | <u>(37,900)</u> | <u>30,305</u> | <u>(37,900)</u> |
| Net current assets/(liabilities) | | | | | |
| | | 4,036,974 | (37,900) | 2,030,305 | (37,900) |
| Total assets less current liabilities | | | | | |
| | | (2,098,000) | - | (2,098,000) | - |
| | | <u>1,938,974</u> | <u>(37,900)</u> | <u>(67,695)</u> | <u>(37,900)</u> |
| Capital and reserves | | | | | |
| Profit and loss account | 12 | 1,938,974 | (37,900) | (67,695) | (37,900) |
| Members' funds | 13 | 1,938,974 | (37,900) | (67,695) | (37,900) |
| | | <u>1,938,974</u> | <u>(37,900)</u> | <u>(67,695)</u> | <u>(37,900)</u> |

Approved by the Board and authorised for issue on **23 October 2007**



R F Wallace
Director

Alta Holdings Limited

Consolidated Group Cash Flow Statement For the year ended 31 December 2006

| | 2006 | 2005 |
|--|-----------|--------|
| | £ | £ |
| Net cash inflow from operating activities | 2,201,542 | 12,369 |
| Returns on investments and servicing of finance | | |
| Interest received | 128,104 | 23 |
| Net cash inflow for returns on investments and servicing of finance | 128,104 | 23 |
| Capital expenditure | | |
| Payments to acquire tangible assets | (599,113) | - |
| Receipts from sales of tangible assets | 5,451 | - |
| Net cash outflow for capital expenditure | (593,662) | - |
| Acquisitions and disposals | | |
| Purchase of subsidiary undertakings (net of cash acquired) | (947,777) | - |
| Net cash outflow for acquisitions and disposals | (947,777) | - |
| Net cash inflow before management of liquid resources and financing | 788,207 | 12,392 |
| Financing | | |
| New debenture loan | 2,098,000 | - |
| Net cash inflow from financing | 2,098,000 | - |
| Increase in cash in the year | 2,886,207 | 12,392 |

Alta Holdings Limited

Notes To The Consolidated Group Cash Flow Statement For the year ended 31 December 2006

| | | | |
|---|--|-----------|----------|
| 1 | Reconciliation of operating profit/(loss) to net cash inflow from operating activities | 2006 | 2005 |
| | | £ | £ |
| | Operating profit/(loss) | 2,622,123 | (37,923) |
| | Depreciation of tangible assets | 116,874 | - |
| | Amortisation of intangible assets | (96,449) | |
| | Increase in debtors | (993,069) | - |
| | Increase in creditors within one year | 552,063 | 50,292 |
| | Net cash inflow from operating activities | 2,201,542 | 12,369 |

| | | | | | |
|---|----------------------------------|----------------|-------------|------------------------|------------------|
| 2 | Analysis of net funds | 1 January 2006 | Cash flow | Other non-cash changes | 31 December 2006 |
| | | £ | £ | £ | £ |
| | Net cash | | | | |
| | Cash at bank and in hand | 12,392 | 2,886,207 | - | 2,898,599 |
| | | 12,392 | 2,886,207 | - | 2,898,599 |
| | Debts falling due after one year | - | (2,098,000) | - | (2,098,000) |
| | Net funds | 12,392 | 788,207 | - | 800,599 |

| | | | |
|---|---|-------------|--------|
| 3 | Reconciliation of net cash flow to movement in net debt | 2006 | 2005 |
| | | £ | £ |
| | Increase in cash in the year | 2,886,207 | 12,392 |
| | Cash inflow from increase in debt | (2,098,000) | - |
| | Movement in net funds in the year | 788,207 | 12,392 |
| | Opening net funds | 12,392 | - |
| | Closing net funds | 800,599 | 12,392 |

Alta Holdings Limited

Notes To The Consolidated Group Cash Flow Statement (continued) For the year ended 31 December 2006

4 Purchase of subsidiary undertakings

On 14 February 2006 the company acquired 100% of the share capital of Alta Advisers Limited
The acquisition was settled by way of cash

The fair values of the identifiable assets and liabilities of the new subsidiary at the date of acquisition were as follows

| | |
|----------------------------------|-------------|
| Total net assets acquired | £ |
| Tangible fixed assets | 123,082 |
| Debtors | 2,077,832 |
| Cash at bank and in hand | 1,052,221 |
| Creditors | (1,156,686) |
| | <hr/> |
| | 2,096,449 |
| Goodwill | (96,449) |
| | <hr/> |
| | 2,000,000 |
| | <hr/> |
| Satisfied by | |
| Cash | 2,000,000 |
| | <hr/> |

There were no significant fair value or accounting policy adjustments

Alta Holdings Limited

Notes To The Consolidated Financial Statements For the year ended 31 December 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and Alta Advisers Limited made up to 31 December 2006. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Fee income represents revenue earned under contracts to provide investment 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 Goodwill

Goodwill arising on consolidation is written off in the year of acquisition.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|------------------------------|
| Leasehold improvements | - over the life of the lease |
| Computer equipment | - straight line over 3 years |
| Fixtures, fittings & equipment | - straight line over 4 years |

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2006

2 Turnover

The total turnover of the group for the year has been derived from its principal activity

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below

| | 2006 | | 2005 | |
|------------------------------------|----------------------|-------------------|----------------------|-----------------|
| | Sales by destination | Sales by origin | Sales by destination | Sales by origin |
| | £ | £ | £ | £ |
| Geographical segment | | | | |
| United Kingdom and Channel Islands | 3,855,304 | 10,539,292 | - | - |
| Cayman Islands and Bermuda | 6,669,240 | - | - | - |
| Other | 14,748 | - | - | - |
| | <u>10,539,292</u> | <u>10,539,292</u> | <u>-</u> | <u>-</u> |

3 Operating profit/(loss)

| | 2006 | 2005 |
|---|---------------|--------------|
| | £ | £ |
| Operating profit/(loss) is stated after charging | | |
| Depreciation of intangible assets | (96,449) | - |
| Depreciation of tangible assets | 116,874 | - |
| Operating lease rentals | | |
| - Plant and machinery | 9,887 | - |
| - Premises | 75,000 | - |
| Auditors' remuneration (company £4,500, 2005 1,763) | <u>13,728</u> | <u>1,763</u> |

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2006

| 4 | Taxation | 2006 £ | 2005 £ |
|---|--|-----------------|-----------------|
| | Domestic current year tax | | |
| | U K corporation tax | 773,353 | - |
| | Current tax charge | <u>773,353</u> | <u>-</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit/(loss) on ordinary activities before taxation | 2,750,227 | (37,900) |
| | Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2005 - 30%) | <u>825,068</u> | <u>(11,370)</u> |
| | Effects of | | |
| | Non deductible expenses | 10,072 | 5,779 |
| | Depreciation add back | 10,359 | - |
| | Capital allowances | (112,806) | - |
| | Tax losses utilised | 4,559 | - |
| | Chargeable disposals | 1,636 | - |
| | Other tax adjustments | 34,465 | 5,591 |
| | | <u>(51,715)</u> | <u>11,370</u> |
| | Current tax charge | <u>773,353</u> | <u>-</u> |

5 Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows

| | 2006 £ | 2005 £ |
|---|-----------------|-----------------|
| Holding company's loss for the financial year | <u>(29,795)</u> | <u>(37,900)</u> |

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2006

6 Intangible fixed assets Group

| | Goodwill £ |
|-----------------------|---------------|
| Cost | |
| At 1 January 2006 | - |
| Additions | (96,449) |
| At 31 December 2006 | (96,449) |
| Amortisation | |
| At 1 January 2006 | - |
| Charge for the year | (96,449) |
| At 31 December 2006 | (96,449) |
| Net book value | |
| At 31 December 2006 | - |
| At 31 December 2005 | - |

7 Tangible fixed assets Group

| | Leasehold improvements £ | Plant and machinery £ | Fixtures, fittings & equipment £ | Total £ |
|---|--------------------------------|-----------------------------|---|------------|
| Cost | | | | |
| Transferred in on acquisition at 14 February 2006 | 155,497 | 316,954 | 156,260 | 628,711 |
| Additions | 259,646 | 135,664 | 203,803 | 599,113 |
| Disposals | (127,159) | (142,965) | (141,735) | (411,859) |
| At 31 December 2006 | 287,984 | 309,653 | 218,328 | 815,965 |
| Depreciation | | | | |
| Transferred in on acquisition at 14 February 2006 | 115,059 | 244,371 | 146,199 | 505,629 |
| On disposals | (127,160) | (140,392) | (138,856) | (406,408) |
| Charge for the year | 28,631 | 53,817 | 34,426 | 116,874 |
| At 31 December 2006 | 16,530 | 157,796 | 41,769 | 216,095 |
| Net book value | | | | |
| At 31 December 2006 | 271,454 | 151,857 | 176,559 | 599,870 |

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2006

7 Fixed asset investments Company

| | Shares in group undertakings £ |
|---------------------|---|
| Cost | |
| At 1 January 2006 | - |
| Additions | 2,000,000 |
| At 31 December 2006 | 2,000,000 |

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

| Company | Country of registration or incorporation | Class | Shares held |
|-------------------------|--|----------|-------------|
| Subsidiary undertakings | | | |
| Alta Advisers Limited | England & Wales | Ordinary | 100 |

The principal activity of these undertakings for the last relevant financial year was as follows

| | Principal activity |
|-----------------------|--|
| Alta Advisers Limited | Investment advisers and investment management services |

9 Debtors

| | Group 2006 £ | 2005 £ | Company 2006 £ | 2005 £ |
|--------------------------------|--------------------|-----------|----------------------|-----------|
| Trade debtors | 831,068 | - | - | - |
| Other debtors | 58,575 | - | - | - |
| Prepayments and accrued income | 2,181,256 | - | - | - |
| | 3,070,899 | - | - | - |

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2006

10 Creditors amounts falling due within one year

| | Group 2006 £ | 2005 £ | Company 2006 £ | 2005 £ |
|------------------------------|--------------------|---------------|----------------------|---------------|
| Trade creditors | 250,466 | - | - | - |
| Corporation tax | 773,353 | - | - | - |
| Other creditors | 559,102 | 50,292 | - | 50,292 |
| Accruals and deferred income | 949,473 | - | 5,287 | - |
| | <u>2,532,394</u> | <u>50,292</u> | <u>5,287</u> | <u>50,292</u> |

11 Pension costs

Defined contribution

| | 2006 £ | 2005 £ |
|---|----------------|-----------|
| Contributions payable by the group for the year | <u>392,924</u> | <u>-</u> |

12 Statement of movements on profit and loss account

Group

| | Profit and loss account £ |
|-----------------------------|---------------------------------|
| Balance at 1 January 2006 | (37,900) |
| Profit for the year | 1,976,874 |
| Balance at 31 December 2006 | <u>1,938,974</u> |

Company

| | Profit and loss account £ |
|-----------------------------|---------------------------------|
| Balance at 1 January 2006 | (37,900) |
| Loss for the year | (29,795) |
| Balance at 31 December 2006 | <u>(67,695)</u> |

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2006

| | | |
|---|------------------|-----------------|
| 13 Reconciliation of movements in members' funds | 2006 | 2005 |
| Group | £ | £ |
| Profit/(Loss) for the financial year | 1,976,874 | (37,900) |
| Opening members' funds | (37,900) | - |
| Closing members' funds | <u>1,938,974</u> | <u>(37,900)</u> |
| Company | 2006 | 2005 |
| | £ | £ |
| Loss for the financial year | (29,795) | (37,900) |
| Opening members' funds | (37,900) | - |
| Closing members' funds | <u>(67,695)</u> | <u>(37,900)</u> |

14 Contingent liabilities

Group

The directors are not aware of any contingent liabilities in the group

15 Financial commitments

At 31 December 2006 the group had annual commitments under non-cancellable operating leases as follows

| | Land and buildings | | Other | |
|----------------------------|---------------------------|-------------|---------------|-------------|
| | 2006 | 2005 | 2006 | 2005 |
| | £ | £ | £ | £ |
| Expiry date | | | | |
| Between two and five years | - | - | 10,628 | - |
| In over five years | 380,935 | - | - | - |
| | <u>380,935</u> | <u>-</u> | <u>10,628</u> | <u>-</u> |

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2006

16 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

| | 2006 Number | 2005 Number |
|---|----------------|----------------|
| Investment advisory and investment management | 6 | - |
| Administration and secretarial | 13 | - |
| | <u>19</u> | <u>-</u> |

Employment costs

| | 2006 £ | 2005 £ |
|-----------------------|------------------|-----------|
| Wages and salaries | 4,119,535 | - |
| Social security costs | 518,854 | - |
| Other pension costs | 392,924 | - |
| | <u>5,031,313</u> | <u>-</u> |

17 Control

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute a sum not exceeding £1 towards the assets of the company in the event of liquidation.

18 Related party transactions

Group

The group paid the following amounts to related parties of the group directors during the year:

- £51,050 to Taylor Wessing Solicitors, of which P Blake-Roberts is an employee,
- £35,000 to P Stormonth Darling for consultancy services and
- £34,968 to Rawlinson & Hunter Chartered Accountants, of which PM Prettejohn is a partner