

Company Registration No. 5407340 (England And Wales)

Alta Holdings Limited

Annual Report

For the year ended 31 December 2007

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Alta Holdings Limited

Directors and advisers

Directors	R F Wallace N E H Ferguson
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 2007

The directors present their report and financial statements for the year ended 31 December 2007

Directors

The following directors have held office since 1 January 2007

R F Wallace

P M Prettejohn

P Stormonth Darling

N E H Ferguson

(Resigned 29 January 2007)

(Resigned 18 September 2007)

Principal activities

The principal activity of the company continued to be that of a holding company. Alta Holdings owns the entire ordinary share capital of Alta Advisers Limited.

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

Development and performance during the year

Alta Holdings' group profit on ordinary activities before taxation increased from £2.8 million in 2006 to £3.5 million in 2007. Group turnover increased by £6.5 million to £17.0 million due mainly to higher management and advisory fees earned. Accordingly, group cost of sales and group administrative expenses also increased during 2007. Cost of sales rose by £2.8 million to £10.1 million. Excluding the charitable donations of £3 million, administrative expenses increased by £0.2 million to £0.8 million.

Group shareholder funds at the end of 2007 were £4.4 million, an increase of £2.5 million from the end of 2006. Company shareholder funds at the end of 2007 were £1.5 million, an increase of £1.5 million from the end of 2006.

Principal risks and uncertainties

Alta Holdings owns the entire ordinary share capital of Alta Advisers Limited, an investment advisory and investment management company. Due to the unpredictable nature of investment markets, significant market changes could impact the revenue streams or client base of Alta Advisers.

Results and dividends

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

Charitable donations

2007	2006
£	£

During the year the group made the following payments:

Charitable donations	3,000,000	10,000
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The group made no political donations during the year (2006: £nil). Charitable donations totalled £3,000,000 (2006: £10,000) during the year, a donation of £1,000,000 was made to Sigrid Rausing Trust and £2,000,000 to Charities Aid Foundation.

Auditors

In accordance with section 485 of the Companies Act 2006, 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 2007

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.

By order of the board



P R Manser

Secretary

5/8/08

Alta Holdings Limited

Independent Auditors' Report To the shareholders of Alta Holdings Limited

We have audited the financial statements of Alta Holdings Limited for the year ended 31 December 2007 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 2007 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.



Kingston Smith LLP

Chartered Accountants
Registered Auditors

7/8/2008

Devonshire House
60 Goswell Road
London
EC1M 7AD

Alta Holdings Limited

Consolidated Profit And Loss Account For the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover	2	17,045,368	10,539,292
Cost of sales		(10,110,681)	(7,294,709)
Gross profit		6,934,687	3,244,583
Administrative expenses		(3,750,104)	(622,460)
Operating profit	3	3,184,583	2,622,123
Other interest receivable and similar income		361,407	128,104
Profit on ordinary activities before taxation		3,545,990	2,750,227
Tax on profit on ordinary activities	4	(1,044,035)	(773,353)
Profit on ordinary activities after taxation		2,501,955	1,976,874

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 2007

	Notes	Group 2007 £	2006 £	Company 2007 £	2006 £
Fixed assets					
Tangible assets	7	468,223	599,870	-	-
Investments	8	-	-	2,000,000	2,000,000
		<u>468,223</u>	<u>599,870</u>	<u>2,000,000</u>	<u>2,000,000</u>
Current assets					
Debtors	9	3,691,203	3,070,899	27,633	-
Cash at bank and in hand		5,998,583	2,898,599	1,598,295	35,592
		<u>9,689,786</u>	<u>5,969,498</u>	<u>1,625,928</u>	<u>35,592</u>
Creditors amounts falling due within one year	10	(3,619,080)	(2,532,394)	(23,059)	(5,287)
		<u>6,070,706</u>	<u>3,437,104</u>	<u>1,602,869</u>	<u>30,305</u>
Net current assets					
		<u>6,538,929</u>	<u>4,036,974</u>	<u>3,602,869</u>	<u>2,030,305</u>
Total assets less current liabilities					
		<u>6,538,929</u>	<u>4,036,974</u>	<u>3,602,869</u>	<u>2,030,305</u>
Creditors amounts falling due after more than one year	11	(2,098,000)	(2,098,000)	(2,098,000)	(2,098,000)
		<u>4,440,929</u>	<u>1,938,974</u>	<u>1,504,869</u>	<u>(67,695)</u>
Capital and reserves					
Profit and loss account	13	4,440,929	1,938,974	1,504,869	(67,695)
		<u>4,440,929</u>	<u>1,938,974</u>	<u>1,504,869</u>	<u>(67,695)</u>
Shareholders' funds	14	4,440,929	1,938,974	1,504,869	(67,695)
		<u>4,440,929</u>	<u>1,938,974</u>	<u>1,504,869</u>	<u>(67,695)</u>

Approved by the Board and authorised for issue on 5/8/08


R F Wallace
Director

Alta Holdings Limited

Consolidated Group Cash Flow Statement For the year ended 31 December 2007

	2007	2006
£	£	£
Net cash inflow from operating activities	3,557,653	2,201,542
Returns on investments and servicing of finance		
Interest received	361,407	128,104
Net cash inflow for returns on investments and servicing of finance	361,407	128,104
Taxation	(771,097)	-
Capital expenditure		
Payments to acquire tangible assets	(50,863)	(599,113)
Receipts from sales of tangible assets	2,884	5,451
Net cash outflow for capital expenditure	(47,979)	(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	3,099,984	788,207
Financing		
New debenture loan	-	2,098,000
Net cash inflow from financing	-	2,098,000
Increase in cash in the year	3,099,984	2,886,207

Alta Holdings Limited

Notes To The Consolidated Cash Flow Statement For the year ended 31 December 2007

1	Reconciliation of operating profit to net cash outflow from operating activities	2007	2006		
		£	£		
	Operating profit	3,184,583	2,622,123		
	Depreciation of tangible assets	179,626	116,874		
	Amortisation of intangible assets	-	(96,449)		
	Increase in debtors	(620,304)	(993,069)		
	Increase in creditors within one year	813,748	552,063		
	Net cash outflow from operating activities	3,557,653	2,201,542		
2	Analysis of net funds	1 January 2007	Cash flow	Other non-cash changes	31 December 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	2,898,599	3,099,984	-	5,998,583
	Debts falling due after one year	(2,098,000)	-	-	(2,098,000)
	Net funds	800,599	3,099,984	-	3,900,583
3	Reconciliation of net cash flow to movement in net debt	2007	2006		
		£	£		
	Increase in cash in the year	3,099,984	2,886,207		
	Cash inflow from increase in debt	-	(2,098,000)		
	Movement in net funds in the year	3,099,984	788,207		
	Opening net funds	800,599	12,392		
	Closing net funds	3,900,583	800,599		

Alta Holdings Limited

Notes To The Consolidated Financial Statements For the year ended 31 December 2007

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 2007. 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 Negative 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 2007

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

	2007		2006	
	Sales by destination	Sales by origin	Sales by destination	Sales by origin
	£	£	£	£
Geographical segment				
United Kingdom and Channel Islands	2,919,487	17,045,368	3,855,304	10,539,292
Cayman Islands and Bermuda	14,118,381	-	6,669,240	-
Other	7,500	-	14,748	-
	<u>17,045,368</u>	<u>17,045,368</u>	<u>10,539,292</u>	<u>10,539,292</u>

3 Operating profit

	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation of intangible assets	-	(96,449)
Depreciation of tangible assets	179,626	116,874
Operating lease rentals		
- Plant and machinery	12,068	9,887
- Premises	391,713	75,000
Auditors' remuneration	<u>21,425</u>	<u>18,228</u>

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2007

4	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K. corporation tax	1,046,291	773,353
	Adjustment for prior years	(2,256)	-
	Current tax charge	<u>1,044,035</u>	<u>773,353</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>3,545,990</u>	<u>2,750,227</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2006 - 30%)	<u>1,063,797</u>	<u>825,068</u>
	Effects of		
	Non deductible expenses	3,871	10,072
	Depreciation add back	53,888	10,359
	Capital allowances	(63,562)	(112,806)
	Tax losses utilised	(5,591)	4,559
	Adjustments to previous periods	(2,256)	-
	Chargeable disposals	774	1,636
	Other tax adjustments	(6,886)	34,465
		<u>(19,762)</u>	<u>(51,715)</u>
	Current tax charge	<u>1,044,035</u>	<u>773,353</u>

5 Profit/(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 profit/(loss) for the financial year is made up as follows:

	2007 £	2006 £
Holding company's profit/(loss) for the financial year	<u>1,572,564</u>	<u>(29,795)</u>

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2007

6 Intangible fixed assets Group

	Negative goodwill £
Cost	
At 1 January 2007 & at 31 December 2007	(96,449)
Amortisation	
At 1 January 2007 & at 31 December 2007	(96,449)
Net book value	
At 31 December 2007	-
At 31 December 2006	-

7 Tangible fixed assets Group

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2007	287,984	309,653	218,328	815,965
Additions	-	43,794	7,069	50,863
Disposals	-	-	(3,900)	(3,900)
At 31 December 2007	287,984	353,447	221,497	862,928
Depreciation				
At 1 January 2007	16,530	157,796	41,769	216,095
On disposals	-	-	(1,016)	(1,016)
Charge for the year	49,351	77,116	53,159	179,626
At 31 December 2007	65,881	234,912	93,912	394,705
Net book value				
At 31 December 2007	222,103	118,535	127,585	468,223
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 2007

8 Fixed asset investments Company

	Shares in group undertakings £
Cost	
At 1 January 2007 & at 31 December 2007	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

During the year, Alta Advisers Limited paid dividends totalling £1,500,000 to Alta Holdings Limited

9 Debtors

	Group 2007 £	2006 £	Company 2007 £	2006 £
Trade debtors	44,482	831,068	-	-
Amounts owed by group undertakings	-	-	18,775	-
Other debtors	40,030	58,575	2,952	-
Prepayments and accrued income	3,606,691	2,181,256	5,906	-
	<u>3,691,203</u>	<u>3,070,899</u>	<u>27,633</u>	<u>-</u>

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2007

10 Creditors amounts falling due within one year

	Group 2007 £	2006 £	Company 2007 £	2006 £
Trade creditors	71,093	250,466	-	-
Corporation tax	1,046,291	773,353	13,274	-
Other creditors	811,073	559,102	-	-
Accruals and deferred income	1,690,623	949,473	9,785	5,287
	<u>3,619,080</u>	<u>2,532,394</u>	<u>23,059</u>	<u>5,287</u>

11 Creditors amounts falling due after more than one year

	Group 2007 £	2006 £	Company 2007 £	2006 £
Debenture loans	<u>2,098,000</u>	<u>2,098,000</u>	<u>2,098,000</u>	<u>2,098,000</u>
Analysis of loans				
Wholly repayable within five years	<u>2,098,000</u>	<u>2,098,000</u>	<u>2,098,000</u>	<u>2,098,000</u>
	<u>2,098,000</u>	<u>2,098,000</u>	<u>2,098,000</u>	<u>2,098,000</u>

12 Pension costs

Defined contribution

	2007 £	2006 £
Contributions payable by the group for the year	<u>887,721</u>	<u>392,924</u>

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2007

13 Statement of movements on profit and loss account

Group

	Profit and loss account £
Balance at 1 January 2007	1,938,974
Profit for the year	2,501,955
Balance at 31 December 2007	<u>4,440,929</u>

Company

	Profit and loss account £
Balance at 1 January 2007	(67,695)
Profit for the year	1,572,564
Balance at 31 December 2007	<u>1,504,869</u>

14 Reconciliation of movements in shareholders' funds

Group

	2007 £	2006 £
Profit for the financial year	2,501,955	1,976,874
Opening shareholders' funds	1,938,974	(37,900)
Closing shareholders' funds	<u>4,440,929</u>	<u>1,938,974</u>

Company

	2007 £	2006 £
Profit/(Loss) for the financial year	1,572,564	(29,795)
Opening members' funds	(67,695)	(37,900)
Closing members' funds	<u>1,504,869</u>	<u>(67,695)</u>

15 Contingent liabilities

Group

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

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2007

16 Financial commitments

At 31 December 2007 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Expiry date				
Between two and five years	-	-	12,068	10,628
In over five years	380,935	380,935	-	-
	<u>380,935</u>	<u>380,935</u>	<u>12,068</u>	<u>10,628</u>

17 Directors' emoluments

	2007	2006
	£	£
Emoluments for qualifying services to the group	2,002,202	1,141,609
Group pension contributions to money purchase schemes	549,325	78,172
	<u>2,551,527</u>	<u>1,219,781</u>

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services to the group	1,286,185	860,631
Group pension contributions to money purchase schemes	83,250	54,750
	<u>1,369,435</u>	<u>915,381</u>

Alta Holdings Limited

Notes To The Consolidated Financial Statements (continued) For the year ended 31 December 2007

18 Employees

Number of employees

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

	2007 Number	2006 Number
Investment advisory and investment management	9	6
Administration and secretarial	13	13
	<u>22</u>	<u>19</u>

Employment costs

	2007 £	2006 £
Wages and salaries	5,683,392	4,119,535
Social security costs	715,681	518,854
Other pension costs	887,721	392,924
	<u>7,286,794</u>	<u>5,031,313</u>

19 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.

20 Related party transactions

Group

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

- £31,762 (2006: £51,050) to Taylor Wessing Solicitors, of which P Blake-Roberts is an employee,
- £26,250 (2006: £35,000) to P Stormonth Darling for consultancy services,
- £15,698 (2006: £34,968) to Rawlinson & Hunter Chartered Accountants, of which PM Prettejohn is a partner, and
- £1,641 (2006: £nil) to British Sky Broadcasting Group Plc for television services, of which NEH Ferguson is a director.