

ALTA HOLDINGS LIMITED

Directors' Report And Consolidated Financial Statements

For the year ended 31 December 2010



Company Registration No 5407340 (England and Wales)

ALTA HOLDINGS LIMITED

DIRECTORS AND ADVISERS

Directors	N E H Ferguson R F Wallace
Secretary	P R Manser
Company number	5407340
Registered office	8 Lancelot Place London SW7 1DR
Registered auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB

ALTA HOLDINGS LIMITED

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ALTA HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

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

The principal activity of Alta Advisers Limited is the provision of investment advisory and investment management services.

Principal risks and uncertainties

Alta Holdings Limited 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 Limited.

During the year to 31 December 2010, Alta Holdings Limited's subsidiary, Alta Advisers Limited, subscribed for 100% of the share capital in Maywood Asset Management Pte Ltd, a company incorporated in Singapore, which is a new geographical market for the company.

Developments and performance during the year

The group's profit on ordinary activities before taxation increased from £88,858 in 2009 to £1,046,641 in 2010. Turnover increased by £3.3 million from £17.1 million to £20.4 million due to an increase in both base and performance related investment advisory fees. Cost of sales expenses increased during 2010 by £2.7 million due to increased employment expenses, costs arising from an office move where rent was payable on both premises throughout the year, and the costs of the new subsidiary in Singapore. Administrative expenses decreased by £0.4 million to £3.8 million primarily due to a decrease in charitable donations.

Shareholder funds at the end of 2010 were £6.5 million, an increase of £0.6 million from the end of 2009.

Key Performance Indicators

The current key performance indicators for the business are as follows:

- Turnover and profitability reviewed on a monthly basis from the management accounts
- The ability to generate performance fees

The company does not use any non-financial indicators.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

Directors

The following directors have held office since 1 January 2010:

N E H Ferguson
R F Wallace

ALTA HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

Charitable donations	2010 £	2009 £
During the year the group made the following payments		
Charitable donations	2,378,812	3,208,100

The group made no political donations during the year (2009 £nil). Charitable donations totalled £2,378,812 (2009 £3,208,100) during the year, including donations of £750,000 to The Sigrid Rausing Trust, £750,000 to The Lisbet Rausing & Peter Baldwin Trust, £750,000 to The Hans and Marit Rausing Charitable Trust, £100,000 to The Boltini Trust and £28,812 to various other charities. All donations were made for the purpose of furthering the activities of each registered charity.

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.

Directors' responsibilities

The directors are responsible for preparing the Directors' 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 company and of the group 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 will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors 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 group's auditors are aware of that information.

By order of the board



P R Manser

Secretary

14 JUNE 2011

ALTA HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTA HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Alta Holdings Limited for the year ended 31 December 2010 set out on pages 5 to 20. 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 members, as a body, 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 members those matters which we are required to include in an auditors' report addressed to them. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of the group's 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ALTA HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ALTA HOLDINGS 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

V.S. LA LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

15/6/2011

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

ALTA HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

		2010 £	2009 £
	Notes		
Turnover	2	20,413,359	17,115,894
Cost of sales		(15,503,132)	(12,790,956)
Gross profit		4,910,227	4,324,938
Administrative expenses		(3,845,573)	(4,233,408)
Other operating income		36,169	175
Operating profit	3	1,100,823	91,705
Other interest receivable and similar income	4	23,568	51,077
Interest payable and similar charges	5	(77,750)	(53,924)
Profit on ordinary activities before taxation		1,046,641	88,858
Tax on profit on ordinary activities	6	(458,477)	(13,833)
Profit on ordinary activities after taxation		588,164	75,025

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

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 £	2009 £
Profit for the financial year	588,164	75,025
Currency translation differences on foreign currency net investments	1,138	-
Total recognised gains and losses relating to the year	<u>589,302</u>	<u>75,025</u>

ALTA HOLDINGS LIMITED

BALANCE SHEETS AS AT 31 DECEMBER 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Tangible assets	8	831,604	979,450	-	-
Investments	9	-	-	2,000,000	2,000,000
		<u>831,604</u>	<u>979,450</u>	<u>2,000,000</u>	<u>2,000,000</u>
Current assets					
Debtors	10	7,878,289	6,950,328	7,268	6,159
Cash at bank and in hand		5,343,774	4,261,550	506,006	501,039
		<u>13,222,063</u>	<u>11,211,878</u>	<u>513,274</u>	<u>507,198</u>
Creditors: amounts falling due within one year	11	<u>(7,327,819)</u>	<u>(6,060,204)</u>	<u>(29,726)</u>	<u>(34,249)</u>
Net current assets		<u>5,894,244</u>	<u>5,151,674</u>	<u>483,548</u>	<u>472,949</u>
Total assets less current liabilities		<u>6,725,848</u>	<u>6,131,124</u>	<u>2,483,548</u>	<u>2,472,949</u>
Creditors: amounts falling due after more than one year	12	<u>(194,752)</u>	<u>(189,330)</u>	-	-
		<u>6,531,096</u>	<u>5,941,794</u>	<u>2,483,548</u>	<u>2,472,949</u>
Capital and reserves					
Other reserves	14	1,138	-	-	-
Profit and loss account	14	6,529,958	5,941,794	2,483,548	2,472,949
Shareholders' funds	15	<u>6,531,096</u>	<u>5,941,794</u>	<u>2,483,548</u>	<u>2,472,949</u>

Approved by the Board and authorised for issue on 14 JUNE 2011



R F Wallace
Director

Company Registration No 5407340

ALTA HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	£	2010 £	£	2009 £
Net cash inflow/(outflow) from operating activities		1,048,559		(25,427)
Returns on investments and servicing of finance				
Interest received	23,568		51,077	
Interest paid	(77,750)		(53,924)	
Net cash outflow for returns on investments and servicing of finance		(54,182)		(2,847)
Taxation		225,617		(252,986)
Capital expenditure				
Payments to acquire tangible assets	(222,874)		(606,990)	
Receipts from sales of tangible assets	-		2,138	
Net cash outflow for capital expenditure		(222,874)		(604,852)
Net cash inflow/(outflow) before management of liquid resources and financing		997,120		(886,112)
Financing				
Increase in long term creditors	6,560		-	
Net cash inflow/(outflow) from financing		6,560		-
Increase/(decrease) in cash in the year		1,003,680		(886,112)

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2010	2009
		£	£
	Operating profit	1,100,823	91,705
	Depreciation of tangible assets	178,428	149,362
	Loss on disposal of tangible assets	192,292	13,788
	Increase in debtors	(1,174,243)	(4,723,458)
	Increase in creditors	829,803	4,386,184
	Net effect of foreign exchange differences	(78,544)	56,992
	Net cash inflow/(outflow) from operating activities	1,048,559	(25,427)

2	Analysis of net funds	1 January 2010	Cash flow	Other non-cash changes	31 December 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	4,261,550	1,003,680	78,544	5,343,774
	Debts falling due after one year	(189,330)	(5,422)	-	(194,752)
	Net funds	4,072,220	998,258	78,544	5,149,022

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	Increase/(decrease) in cash in the year	1,003,680	(886,112)
	Cash inflow from increase in debt	(5,422)	(189,330)
	Net effect of foreign exchange differences	78,544	(56,992)
	Movement in net funds in the year	1,076,802	(1,132,434)
	Opening net funds	4,072,220	5,204,654
	Closing net funds	5,149,022	4,072,220

4 Purchase of subsidiary undertakings

The subsidiary undertakings acquired during the year reduced the group's net operating cash flows by £196,477 and utilised £37,614 for capital expenditure

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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 its subsidiary undertakings made up to 31 December 2010. 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 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 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
Plant and machinery	- 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 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 2010

1 Accounting policies

(continued)

1.11 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 year, 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.

1.12 Liquid resources

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

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.

	2010		2009	
	Sales by destination £	Sales by origin £	Sales by destination £	Sales by origin £
Geographical segment				
United Kingdom and Channel Islands	1,100,674	20,413,359	1,264,685	17,115,894
Cayman Islands and Bermuda	19,193,413	-	15,798,812	-
Other	119,272	-	52,397	-
	<u>20,413,359</u>	<u>20,413,359</u>	<u>17,115,894</u>	<u>17,115,894</u>

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

3	Operating profit	2010	2009
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	178,428	149,362
	Loss on disposal of tangible assets	192,292	13,788
	Loss on foreign exchange transactions	584	61,843
	Operating lease rentals		
	- Plant and machinery	13,198	15,517
	- Other assets	804,287	474,540
	Fees payable to the group's auditor for the audit of the group's annual accounts (Company £6,550 , 2008 £6,500)	26,560	21,817
	Auditors' remuneration - other services	47,479	-
	and after crediting		
	Profit on foreign exchange transactions	(78,544)	(4,851)
		<u> </u>	<u> </u>
4	Investment income	2010	2009
		£	£
	Bank interest	23,568	51,077
		<u> </u>	<u> </u>
5	Interest payable	2010	2009
		£	£
	Accrued interest receivable written off	77,750	-
	On overdue tax	-	53,924
		<u> </u>	<u> </u>
		<u>77,750</u>	<u>53,924</u>

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

6 Taxation	2010	2009
	£	£
Domestic current year tax		
U K corporation tax	458,477	13,833
Total current tax	458,477	13,833
 Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,046,641	88,858
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 21.00%)	293,059	18,660
Effects of		
Non deductible expenses	70,391	29,648
Depreciation add back	49,960	31,366
Capital allowances	(67,873)	(68,963)
Other tax adjustments	58	-
Foreign subsidiary	55,746	-
Adjustments to previous periods	6,832	-
Profit / loss on disposals	53,842	3,122
Small companies relief	(3,538)	-
	165,418	(4,827)
Current tax charge for the year	458,477	13,833

7 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2010	2009
	£	£
Holding company's profit for the financial year	10,599	52,040

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

8 Tangible fixed assets Group

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2010	804,632	326,048	253,625	1,384,305
Additions	28,489	183,280	11,105	222,874
Disposals	(319,632)	-	(1,246)	(320,878)
At 31 December 2010	513,489	509,328	263,484	1,286,301
Depreciation				
At 1 January 2010	127,341	141,789	135,725	404,855
On disposals	(127,340)	-	(1,246)	(128,586)
Charge for the year	52,166	99,063	27,199	178,428
At 31 December 2010	52,167	240,852	161,678	454,697
Net book value				
At 31 December 2010	461,322	268,476	101,806	831,604
At 31 December 2009	677,291	184,259	117,900	979,450

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

9 Fixed asset investments

Group

Net book value

At 1 January 2010 & at 31 December 2010

£

-

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

Company

Shares in
group
undertakings
£

Cost

At 1 January 2010 & at 31 December 2010

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	Shares held	
		Class	%
Subsidiary undertakings			
Alta Advisers Limited	England & Wales	Ordinary	100 00
Maywood Asset Management Pte Ltd	Singapore	Ordinary	100 00
Alta Advisers Pte Ltd	Singapore	Ordinary	100 00
Alta Asset Management Pte Ltd	Singapore	Ordinary	100 00

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

	Principal activity
Alta Advisers Limited	Investment advisory and investment management services
Maywood Asset Management Pte Ltd	Investment management services
Alta Advisers Pte Ltd	Dormant
Alta Asset Management Pte Ltd	Dormant

The company's subsidiary, Alta Advisers Limited, subscribed for 100% of the share capital of Maywood Asset Management Pte Ltd for cash at par value on the 1 November 2010 and has consolidated the results of this company into its accounts for the year to 31 December 2010 from this date. Alta Advisers Pte Ltd and Alta Asset Management Pte Ltd have not been consolidated as they are dormant in the year.

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

10 Debtors

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade debtors	9,704	3,245	-	-
Corporation tax	-	246,282	-	-
Other debtors	165,932	160,648	3,614	1,780
Prepayments and accrued income	7,702,653	6,540,153	3,654	4,379
	<u>7,878,289</u>	<u>6,950,328</u>	<u>7,268</u>	<u>6,159</u>

11 Creditors : amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade creditors	241,505	377,268	-	1,265
Amounts owed to group undertakings	-	-	629	10,000
Corporation tax	451,645	13,833	15,936	13,833
Taxes and social security costs	704,896	547,794	-	-
Other creditors	109,501	83,032	3,132	2,701
Accruals and deferred income	5,820,272	5,038,277	10,029	6,450
	<u>7,327,819</u>	<u>6,060,204</u>	<u>29,726</u>	<u>34,249</u>

12 Creditors amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Other creditors	<u>194,752</u>	<u>189,330</u>	<u>-</u>	<u>-</u>
In more than two years but not more than five years	<u>194,752</u>	<u>189,330</u>	<u>-</u>	<u>-</u>

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

13 Pension and other post-retirement benefit commitments

Defined contribution

	2010 £	2009 £
Contributions payable by the group for the year	557,556	523,802

14 Statement of movements on profit and loss account Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2010	-	5,941,794
Profit for the year	-	588,164
Foreign currency translation differences	1,138	-
Balance at 31 December 2010	1,138	6,529,958
Translation reserve		
Currency translation reserve increase	1,138	
Balance at 31 December 2010	1,138	

Company

	Profit and loss account £
Balance at 1 January 2010	2,472,949
Profit for the year	10,599
Balance at 31 December 2010	2,483,548

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

15 Reconciliation of movements in shareholders' funds	2010	2009
Group	£	£
Profit for the financial year	588,164	75,025
Other recognised gains and losses	1,138	-
Net addition to shareholders' funds	589,302	75,025
Opening shareholders' funds	5,941,794	5,866,769
Closing shareholders' funds	6,531,096	5,941,794
	2010	2009
Company	£	£
Profit for the financial year	10,599	52,040
Opening members' funds	2,472,949	2,420,909
Closing members' funds	2,483,548	2,472,949

16 Contingent liabilities

Group

A possible contingent liability exists in relation to the supply of pension fund management services from 2003 to date which were, and currently continue to be, 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 has recently been referred to the European Court of Justice.

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 received claims from its clients and submitted claims to HMRC for the period from 2003 to 31 March 2008. It intends to submit similar claims for the period from 1 April 2008 to 31 March 2011 following the completion of that period.

As at 31 December 2010, the company estimates its liability to certain pension fund clients, excluding interest, to be £1,416,000. Net of related repayment from HMRC, but excluding interest, this liability is estimated to reduce to £220,000 as at 31 December 2010.

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

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

17 Financial commitments

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Expiry date				
Between two and five years	373,653	380,935	13,198	15,517
In over five years	-	373,653	-	-
	<u>373,653</u>	<u>754,588</u>	<u>13,198</u>	<u>15,517</u>

18 Directors' remuneration

	2010	2009
	£	£
Remuneration for qualifying services	<u>15,000</u>	<u>15,000</u>

19 Employees

Number of employees

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

	2010	2009
	Number	Number
Investment advisory and investment management	15	13
Administration and secretarial	10	10
	<u>25</u>	<u>23</u>

Employment costs

	2010	2009
	£	£
Wages and salaries	9,321,060	8,018,443
Social security costs	1,153,950	986,322
Other pension costs	557,556	523,802
	<u>11,032,566</u>	<u>9,528,567</u>

ALTA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

20 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.

21 Related party relationships and transactions

Group

The group has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking. The group paid the following amounts to related parties during the year:

- £75,299 (2009: £222,614) to Taylor Wessing, solicitors, of which P. Blake-Roberts is an employee. £38,031 is still outstanding at 31 December 2010,

- £9,022 (2009: £2,421) to British Sky Broadcasting Group PLC for television services, of which N. E. H. Ferguson is a director.

- £5,000 (2009: £nil) to the Courtauld Institute of Art, of which N. E. H. Ferguson is a director. £2,979 was accrued at the year end.