

Alpha Real Capital LLP

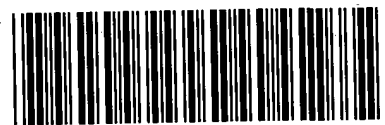
Report and Financial Statements

Year Ended

31 March 2016

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Alpha Real Capital LLP

Annual report and financial statements for the year ended 31 March 2016

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Alpha Real Capital LLP

Highlights



**UK Property
Investment Awards
WINNER 2016**

**● GROWTH
INVESTOR
2015 | AWARDS**

**WINNER
BEST BPR
INVESTMENT
MANAGER**

Alpha Real Capital LLP is an investment services group focused on real estate, infrastructure and other asset-backed investment markets, with a strong focus on long-income investing.

Highlights

- Launch of Index Linked Income Fund with over £350million raised from institutional investors
- Launch of Social Infrastructure Fund and investment into initial portfolio of supported living residential property
- Rapid growth of TIME:ADVANCE with over £100 million raised to date following the major expansion of our capital raising team to 12 to accelerate future growth
- TIME:CFF, our new Commercial Freehold Fund was established with over £40 million of investments
- TIME:EIS, our Enterprise Investment Scheme (EIS) launched successfully a new shipping EIS, building on the success of our three EIS hydro renewable energy projects last year
- Strong growth of Alpha Real Renewables, our specialist renewable energy investing business, which has now transacted over £100 million of investments into over 25 renewable energy infrastructure projects
- Further growth in Alpha Property Lending, our specialist real estate lending business
- Growth of Palm Capital, our capital markets advisory business
- Further balance sheet growth to £42 million net assets and no debt

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016

About Alpha

Alpha Real Capital LLP ("Alpha") is an investment services group focussed on long-income and value-added investing in real estate, infrastructure and other asset-backed markets. Alpha has an 80 plus strong professional team and has approximately £1.4 billion of assets under management, including capital commitments. Alpha focusses on the creation of long term relationships with our investment partners, tenants, lenders and other stakeholders.

Established in 2005, Alpha is jointly owned by companies ultimately owned by the PS Gower Personal Settlement (which also owns the Antler Property Group), Phillip Rose, IPGL Fund Services Limited (Michael Spencer) and members of the Alpha management team.

Alpha's experienced management team combines seasoned real estate experience and capital markets expertise with bespoke research, analysis and expert market knowledge to create value-added asset-backed investment solutions.

Alpha operates across diversified investment markets: listed and unlisted property vehicles, open and closed-ended property vehicles, UK and international funds, working with large institutional investors as well as private investors, family offices and wealth managers.

Alpha also owns TIME Investments (www.time-investments.com), its authorised wealth management investment solutions arm. TIME Investments acquired the real estate investment management business of Close Brothers Group in 2011.

£1.4 billion

ASSETS UNDER MANAGEMENT

7

EXPERT PLATFORMS

£42 million

NET ASSET VALUE

80+

PROFESSIONAL TEAM

12

CAPITAL RAISERS

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 *(continued)*

Our business model

Alpha utilises its core strengths in establishing, building and managing specialist investment platforms focussed on discrete investment strategies:

Specialist Platforms	Real Estate Investment Funds	Wealth Management Solutions & Funds
Alternative Real Capital Long-income assets and social infrastructure	Index Linked Income Fund Long-income, inflation linked commercial freehold ground rents	TIME: Freehold Long-income freehold ground rent investment
Alpha Real Renewables Long-income energy infrastructure	Social Infrastructure Fund Long-income, inflation linked social infrastructure	TIME: Commercial Freehold Long-income commercial property investment
Alpha Property Lending Asset-backed lending	Industrial Multi Property Trust Multi-let industrial property	TIME: Advance and TIME: CTC IHT investment services
Antler Commercial property	Active UK Real Estate Fund Commercial property	TIME: EIS Enterprise investment schemes
Industriand Industrial property	Alpha Real Trust Commercial property and asset-backed lending	
Alpha Real Technology Data centres	Alpha German Property Income Trust Commercial property	
Palm Capital Capital markets advisory		

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 (continued)

The individual platforms benefit from focussed expert teams who can draw on the wider Group's resources and skill base to bring together cross-functional teams with deep experience in investment selection, active asset management, risk management, financing and structuring.

Alpha focusses on long-income strategies and value-added investing that responds to our active management strategies and is capable of delivering attractive risk-adjusted returns.

Alpha has specialist expertise in long income investing including freehold ground rents, social infrastructure and renewable energy infrastructure.

Alpha continues to create new funds and services that enable our investment partners to access a wider choice of real estate strategies and investment returns.

Our investment style

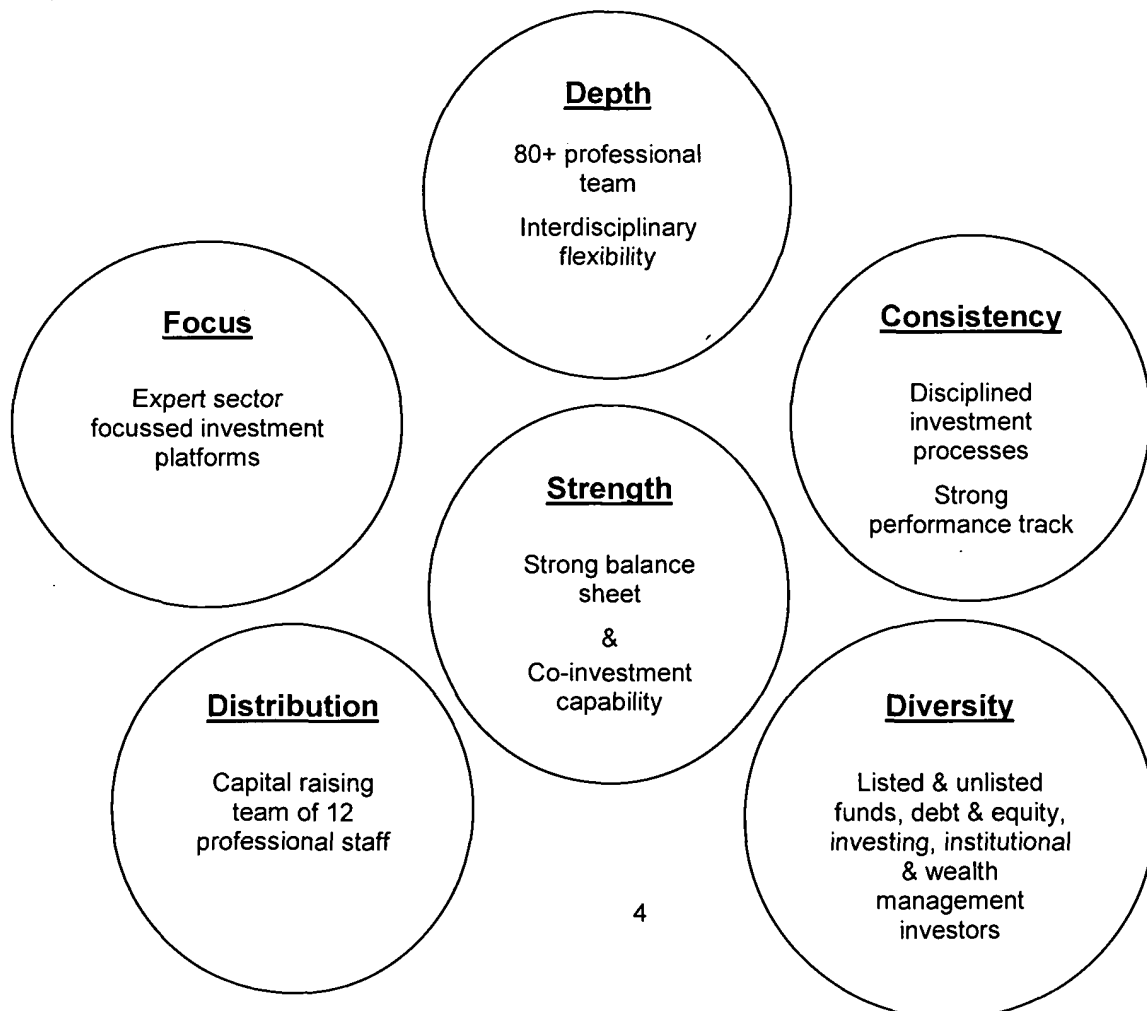
Independently owned and managed by its partners, Alpha has the ability to think freely, allowing Alpha to respond quickly and creatively to opportunities.

Our ability to co-invest alongside our investment partners and funds creates a strong alignment based on genuine partnership.

Investors benefit from Alpha's ability to apply expert local property market knowledge and pro-active asset management to source, finance and manage value-added investment and development opportunities.

Our organisational strengths

Alpha's business is built on the breadth and depth of our 80 plus professional staff's collective experience, our ability to work flexibly on an inter-disciplinary basis, our expert sector-focussed investment platforms, and our disciplined investment processes.



Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 *(continued)*

Key funds and platforms review

The Alpha team has established a range of value-adding focussed real estate and asset-backed investment platforms.

Index Linked Income Fund (ILIF)

The Index Linked Income Fund invests in a portfolio of UK ground rent assets to provide a long-term secure and predictable inflation-linked income stream with associated capital growth. ILIF seeks to invest in existing portfolios and assets as well as opportunities to create new ground leases. ILIF's investment strategy includes:

- Freehold / virtual freehold properties subject to long-lease tenancies (typically FRI, >99 year leases)
- Option to seek forward funding or forward commitment arrangements with developers
- The targeting of assets with income linked to inflation.
- Geographically diversified assets within the UK

ILIF secured subscriptions totalling £355 million for the first close from nine UK pension schemes.

ILIF has initially acquired 34 specialist healthcare assets in a ground rent sale and leaseback transaction with Care Tech Holdings plc, a leading provider of specialist social care services. The total consideration was approximately £25 million and the properties are located in South East England. Alpha has a strong and developing pipeline of future transactions for ILIF.

Social Infrastructure Fund (SIF)

The Social Long Income Fund invests in a portfolio of UK real estate assets that provide a secure long-term, inflation correlated income stream and capital growth, whilst generating a positive social impact.

SIF will typically invest either via acquisition or through the construction of real estate assets let on long leases to providers of services such as:

- Supported or assisted living
- Social housing
- Shared ownership
- Primary care
- Education

SIF has an initial seed investment commitment of £15 million and has partnered with a registered provider specialising in supported living, a leading care provider and a specialist developer of social infrastructure to build up to £50 million of supported living apartments in the UK. SIF has also established a partnership framework to deliver a further £80-£100 million portfolio of high quality assisted living assets each year.

Alpha Real Trust (ART)

Alpha Real Trust targets investment opportunities across the asset-backed spectrum, including real estate operating companies, securities, services and other related businesses that offer high risk-adjusted total returns. ART currently focusses on high-yielding property debt, including mezzanine finance, and high-yielding equity investments in the UK and Western Europe that benefit from underlying strong cash flows. ART is a closed-ended Guernsey registered investment company listed on the Specialist Fund Segment of the London Stock Exchange.

ART delivered a 52.9% total shareholder return in 2015 and was ranked the 2nd best performing in the JP Morgan Cazenove universe of investment companies.

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 (*continued*)

Industrial Multi Property Trust (IMPT)

Industrial Multi Property Trust holds a regionally diversified portfolio of multi-let UK light industrial and office property. IMPT is a closed-ended Isle of Man investment company listed on the Specialist Fund Segment of the London Stock Exchange. Alpha became Investment Adviser and Manager in 2010 and led a strategic injection of new capital accompanied by a programme of value-adding asset management initiatives.

IMPT completed a new 5-year financing facility and additional capital raising in December 2013.

IMPT delivered a total shareholder return of over 100% in the year to March 2016.

Active UK Real Estate Fund (AURE)

Active UK Real Estate Fund invests in a diversified portfolio of UK industrial and office properties. Alpha became Investment Manager of AURE in 2011 and led a strategic injection of new capital accompanied by a programme of value-adding asset management initiatives.

AURE completed a new 5-year financing facility and additional capital raising in September 2013.

AURE has delivered top quartile performance with annualised returns over the last 3 years outperforming its benchmark by more than 3% pa.

TIME:Freehold (Freehold Income Authorised Fund)

TIME:Freehold is the UK's largest authorised freehold ground rent fund with over £235 million of net assets. The fund is an FCA regulated open-ended Property Authorised Investment Fund ("PAIF") and has a Non-UCITS Retail Scheme ("NURS") status. TIME:Freehold seeks to provide a secure and stable investment with an attractive income stream and capital growth prospects from a portfolio of over 64,000 freeholds. For over two decades TIME:Freehold has consistently produced inflation beating investor returns, with regular income and relatively low volatility. Investors in TIME:Freehold include pension funds, charities, trusts and individuals. TIME:Freehold has been the best risk-adjusted return of any fund in the IMA unit trust and OEIC universe over a 10-year period, according to FE Trustnet research.

TIME:Freehold provided an unleveraged return of c.9% in the year, achieving 23 years of consecutive positive investor returns.

TIME:Commercial Freehold Fund (CFF)

TIME:Commercial Freehold invests in UK commercial property with long dated income streams that falls into two categories:

- Commercial freeholds with ground rents, and
- Commercial freeholds which benefit from long leases.

The income streams, security of the underlying investments and associated risk differs between these two asset types. By investing in both, CFF provides diversification and is able to spread risk.

CFF is traded monthly, is accessible via ISA, SIPP, offshore bond platforms and SSASs, and aims to deliver:

- Consistent 4% per annum income returns
- Inflation mitigation
- Income security
- Potential for capital growth

The Net Asset Value of CFF as at 31 March 2016 was £32.1 million and it has delivered a 5.1% annualised total return this year, with its income return exceeding the benchmark of 4% per annum.

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 (continued)

TIME:Advance & TIME:CTC

TIME:Advance provides a streamlined service that targets asset backed operational businesses that produce a steady and consistent annual return of over 3.5% and also mitigate their inheritance tax (IHT) liability after a two year qualifying period through the use of Business Property Relief (BPR). Examples of BPR qualifying trades are property lending and renewable energy investment. TIME:CTC offers corporate investors a method by which they can employ excess capital efficiently whilst retaining their own BPR. Our IHT services have undertaken over 60 projects including residential development, forestry, farming and self storage investing over £400 million. Over a period of 18 years, TIME:CTC has achieved 100% BPR from IHT for all of its qualifying investors and an inflation beating return over that period. TIME:Advance has consistently met its 3.5% p.a. return target since inception and raised over £55 million during the year.

TIME:EIS

TIME:EIS provides private investors with access to the tax reliefs of the Enterprise Investment Scheme in as little as three years. Currently the tax benefits comprise initial income tax relief of 30%, deferral of capital gains rolled into the investment, BPR after two years and CGT exemption on any gains. The Hydro and one Shipping EIS have been successfully launched to date, and we are also developing a new Self Storage EIS.

About TIME



Our solutions provide
Inheritance, Capital Gains and
Income Tax mitigation as well as
capital growth



Our distribution team of 20
provides national coverage to
help advisers provide solutions
tailored to their clients' needs



What do we look for when investing?

-  **Predictability**
-  **Asset backing**
-  **Income generation**

We're dedicated to the adviser
market; we don't accept direct
client investments



£500 million
ASSETS UNDER
MANAGEMENT



We currently have more than
50 staff and growing



We offer the longest track
record of all BPR providers
(19 years and counting)



We pride ourselves on providing
genuine transparency about
where and what we invest in



Managers of the hugely successful
TIME:Freehold fund with £230m
AUM and a 22 year track record
of delivering inflation beating
returns and consistent liquidity



To date over 500 of our 2,000+
investors have successfully
achieved BPR



Independent oversight is built in
to our products and provided by
industry experts who've chosen to
align their reputations with ours



We focus on capital
preservation throughout our
investment solutions



We have an in house team of
12 investment specialists, offering
a real depth of experience



We've been profitable every
year since inception, with the
benefit of a strong balance sheet
and robust structure



Contact us:  020 7391 4747  questions@time-investments.com  time-investments.com

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 (*continued*)

Alpha German Property Income Trust (AGPIT)

AGPIT invests in commercial real estate across Germany with strong potential for value enhancement through income growth and active asset management. The fund owns 27 properties with a value of approximately €139 million and a total lettable area of over 138,000 sq m. The portfolio comprises retail properties, logistics properties, offices and car parks. AGPIT was established in 2006 and is a closed-ended Guernsey registered investment company, funded by private and institutional equity investors. AGPIT completed a new 5-year financing facility and additional capital raising in April 2015.

Alpha Property Lending

Alpha Property Lending provides senior debt and higher loan-to-value "stretched" senior debt to experienced residential developers with a proven track record and to established investors in commercial real estate assets.

Using our knowledge and experience which covers an 18 year track record and over £350 million of completed developments we are well-placed to finance a broad range of development funding and investment lending requirements as well as other asset backed lending opportunities.

Alternative Real Capital

Established in 2014, Alternative Real Capital is a wholly-owned division of Alpha that specialises in long income real asset investment. It raised £370 million from UK pension funds in 2015 for investment in long-income ground rents and social infrastructure assets. These assets all have strong linkage to inflation indexation.

The Alternative Real Capital team has considerable experience in the origination, structuring and placing of long income investments and has extensive knowledge within pension fund de-risking and liability driven investing (LDI).

Alpha Real Renewables

Alpha Real Renewables was set up in 2013 to invest across the renewable energy sector, and currently holds 22 power and heat projects spanning onshore wind, solar, biomass, and hydro generation. It has experience of funding projects through planning, design, build and operation with visibility over a current investment pipeline of more than 400MW.

As at 31 March 2016, Alpha Real Renewables had originated and completed on 18 investments with 2 more approaching completion, this totals nearly 55MW and a combined investment of £109 million – an increase of 80% on last year – with a combined enterprise value in excess of £125 million.

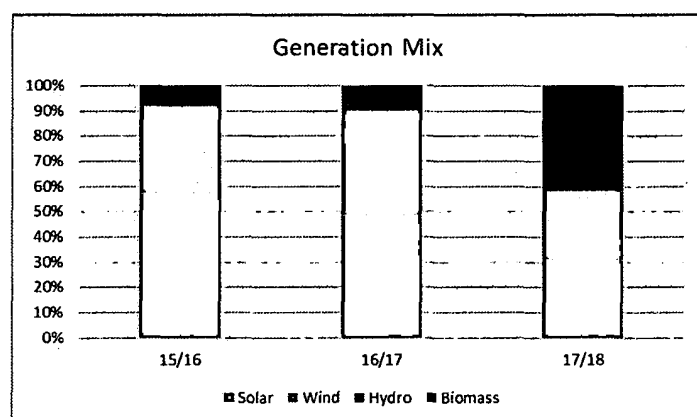
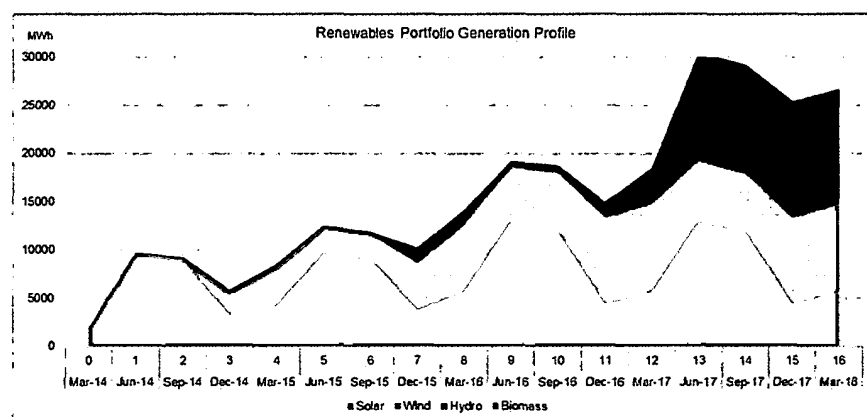
The portfolio offers an attractive mix of UK operating assets comprising ground mount and rooftop solar PV (36.5MW), onshore wind (10.4MW), biomass combined heat and power (6MW) and small hydro (1.5 MW) with an average useful life of 20-40 years. 16 assets have been acquired as consented schemes and subsequently built out by Alpha Real Renewables over periods of up to 18 months, 6 of those were commissioned in the last 12 months.

Good levels of production and financial performance continue to be achieved across the portfolio which was capable of producing around 49 GWh last year. This will rise by 130% to over 110 GWh per annum by March 2018 based on existing projects under management (as shown below). This is equivalent to offsetting the annual consumption of 34,000 average UK households or a CO2 reduction of 60,000 tonnes equivalent.

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 *(continued)*

Alpha Real Renewables (continued)



Alpha Real Renewables is involved with 2 early stage development projects capable of providing up to 40 MW of onshore wind, regulatory uncertainty around future levels of support for onshore wind during the current UK Government means these projects remain at the feasibility stage.

Within its existing investment pipeline, Alpha Real Renewables is progressing 42MW of new investment opportunities on an exclusive basis across onshore wind, biomass and demand response including the potential to optimise grid infrastructure at existing solar farms through peak generation and storage.

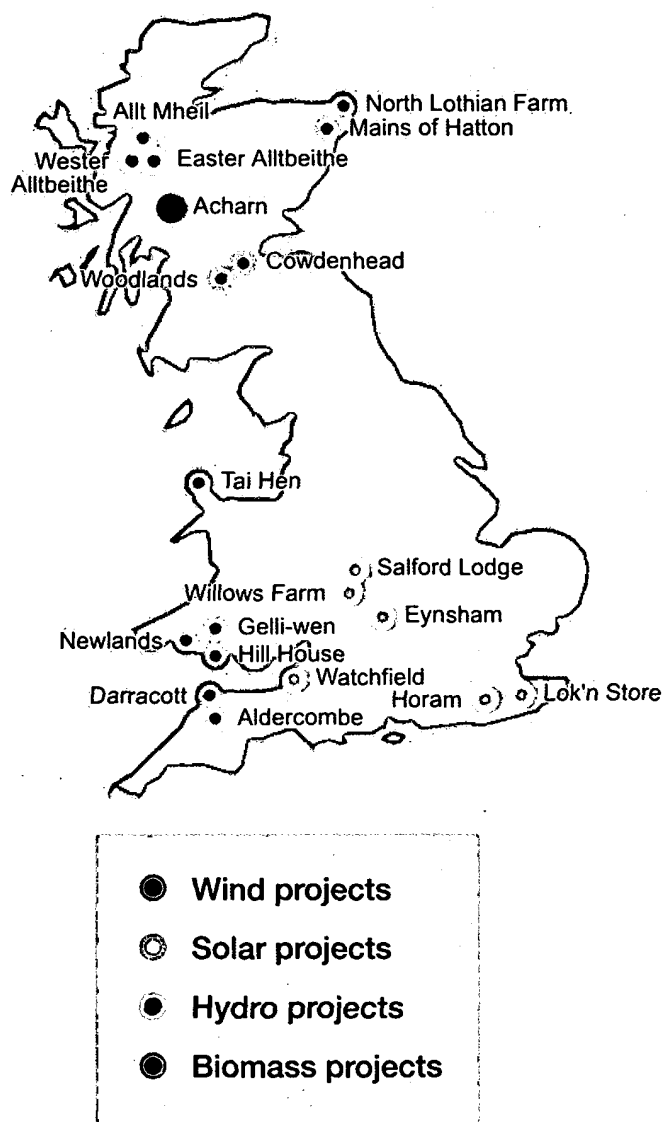
Renewable energy infrastructure provides investors with predictable, long-term cash flows with a significant component of revenues linked to inflation and underwritten by the UK Government.

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 *(continued)*

Alpha Real Renewables (continued)

Map showing project names and indicative locations:



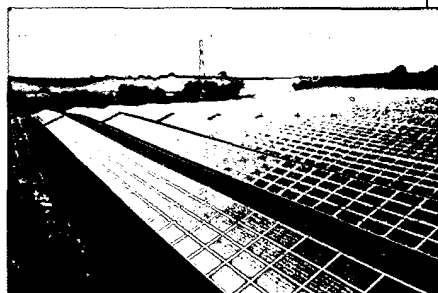
Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 (continued)

Alpha Real Renewables (continued)

Alpha Real Renewables completed transactions (since 09/13):

Project	Type & Capacity	Investment	Target Project IRR (pre-tax unlevered)	Status
Completed 03/15	37.9MW across 13 projects	£60m £68-70m (approx. enterprise value)		
Willows Farm, Worcestershire	4.62MW FIT Ground mount solar PV EPC (British Gas Solar)	£4.9m	8.3%	Operational since 12/15 Fully accredited Acquired Q2 2015
Cowdenhead, Lanarkshire	1.35MW FIT Onshore wind 2x turbines (EWT)	£3.6m	10.6%	Operational since 12/15 Awaiting accreditation Acquired Q2 2015
Woodlands, Lanarkshire	1.4MW ROC Onshore wind 2x turbines (EWT)	£3.8m	10.5%	Operational since 03/16 Awaiting accreditation Acquired Q3 2015
Mains of Hatton, Aberdeenshire	2.1MW FIT Onshore wind 3x turbines (Enercon)	£7.9m	9.0%	Operational since 2012 Fully accredited Acquired Q4 2015
Acharn, Perthshire	6MW biomass CHP ROC and RHI 70ktpa wood fuel	£21.1m	15.0%	Under development Commissioning Q1/Q2 2017 Acquired Q4 2015
Aldercombe Barton, Cornwall	0.5MW FIT Onshore wind Single turbine (Enercon)	£3.4m	8.0%	Operational since 06/15 Fully accredited Acquired Q2 2016
North Lothian, Aberdeenshire	0.5MW FIT Onshore wind Single turbine (Enercon)	£4.5m	9.0%	Operational since 12/14 Fully accredited Acquired Q2 2016
TOTAL	54.4 MW (67% solar / 19% wind / 11% biomass / 3% hydro)	£109m (38% solar / 34% wind / 20% biomass / 8% hydro)		



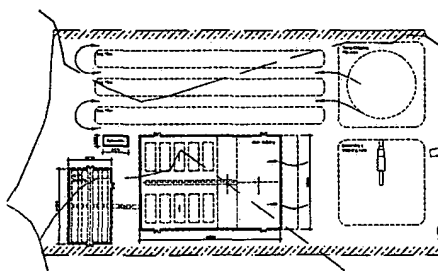
Salford Lodge, 5MW solar PV, commissioned Q3 2015



Allt Beithe, 1MW hydro, commissioned Q3 2015



Mains of Hatton, 2.1MW wind Q4 2015



Acharn, 6MW Biomass CHP, acquired Q4 2015



Cowdenhead, 1.35MW wind, commissioned Q1 2016



Woodlands, 1.4MW wind, commissioned Q1 2016

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 (continued)

Financial performance

Alpha's consolidated operating profit for the year ending 31 March 2016 is £7.1 million (31 March 2015: £7.1 million).

Alpha enjoys a strong balance sheet with no borrowings. The net asset value of Alpha at 31 March 2016 is £42.2 million (2015: £33.6 million after FRS 102 adjustment). Alpha holds cash and investments (primarily listed securities) of £42.2 million at 31 March 2016 (2015: £35.6 million after FRS 102 adjustment).

Outlook

Alpha manages a growing range of investment platforms diversified by geography, property type, sector and investor with investment platforms in the UK and Europe.

Alpha continues to invest in developing and enhancing its existing fund platforms and the creation of new products and business areas.

TIME Investments, our wealth management investment product management business, continues to grow its range of solutions to authorised financial intermediaries and wealth managers as well as its business development and relationship management teams to support them.

INSTITUTIONAL INVESTORS	UK property	European property	Property Debt	Freehold Ground Rents	Social Infrastructure	Renewable Infrastructure
	IMPT	ART	ART	ILIF	SIF	TIME: Advance
PRIVATE INVESTORS / WEALTH MANAGEMENT	AURE	AGPIT	TIME: Advance	TIME: Freehold		TIME: CTC
			TIME: CTC	TIME: CGRF		TIME: EIS

Alpha's strong balance sheet and significant cash reserves, provides it with a robust platform from which to continue the expansion of its diversified funds management business against a back drop of rising values and increasing capital flows into real estate and other asset-backed investments.

Alpha Real Capital LLP

Chief Executive's report for the year ended 31 March 2016 *(continued)*

Our team

Alpha is headquartered in London with an international network of offices with experienced management teams, deep local market knowledge and an extensive investment sourcing, financing, asset management and realisation track record.

The team has experience in real estate, banking and funds management gained with leading organisations from around the world to ensure:

- strategic investment selection and detailed due-diligence
- active asset management and value enhancement focus
- financing and structuring expertise and established banking relationships
- local market expertise

Phillip Rose CEO, Partner, Alpha Real Capital LLP

Phillip has over 30 years' experience in the real estate, funds management and banking industries in Europe, the USA and Australasia. He has been the Head of Real Estate for ABN AMRO Bank, Chief Operating Officer of European shopping centre investor and developer TrizecHahn Europe and Managing Director of Lend Lease Global Investment. Phillip is currently a member of the Management Committee for Hermes Property Unit Trust and was formerly a non-executive director of Great Portland Estates plc.

Philip Gower

Philip is the founder of the Antler Property Group and Rockmount Capital, a major Alpha partner. He has been a UK and international commercial and residential real estate investor and developer for over 40 years. Philip founded Antler Property Investments in 1972 and has also created a number of highly successful private companies and joint ventures in real estate, private equity, financial services, manufacturing, and e-tailing.

Michael Spencer Partner, Alpha Real Capital LLP

Michael is the Group Chief Executive Officer of ICAP, the world's largest inter-dealer broker, as well as the Chairman of IPGL Property Funds Ltd, a partner in Alpha Real Capital LLP. Michael has interests in a variety of financial services companies and many other investments including GAIN Capital Holdings Inc, a CFD and spread-betting business.

Brad Bauman Partner, Alpha Real Capital LLP

Brad has over 20 years experience in the real estate, funds management and banking industries in Europe and Australasia. He served as Managing Director of CBRE Financial Services.

Mark Rattigan COO, Partner, Alpha Real Capital LLP

Mark has previously been Chief Operating Officer and Director - Finance and Operations at RREEF (Deutsche Bank's real estate funds management group) based in London. He has over 25 years experience in real estate, funds management and investment banking.

Karl Devon-Lowe CFO, Partner, Alpha Real Capital LLP

Karl is a Chartered Accountant with over 20 years finance experience in the real estate and leisure sectors. Prior to joining Alpha, he worked in senior finance positions at Hammerson plc and Heron International. He is also an Associate Member of the Association of Corporate Treasurers.

Nick Friedlos Partner, Alpha Real Capital LLP

Nick has over 30 years real estate, financial and operational experience and is a Chartered Accountant. He has previously been Chief Executive of Mapeley Limited, a real estate investment and management business, and prior to that was CFO of London Merchant Securities PLC and Land Securities Trillium Limited. Earlier in his career he was a partner in PricewaterhouseCoopers.

Alpha Real Capital LLP

Chief Executive's Report for the year ended 31 March 2016 (continued)

Hugo James Partner, Alpha Real Capital LLP; Managing Director, Palm Capital Partners

Hugo has 20 years of financial services experience across investment banking, fixed income, insurance and principal finance as both principal and adviser. Prior to joining Alpha, Hugo worked in pension de-risking across investments, liability hedging and bulk annuities. He was previously CEO of PensionsFirst Capital, a managing director at Credit Suisse and, director responsible for sales and structuring of bulk annuities at Legal & General and a member of the annuities management team.

Patrick Grant Partner, Alpha Real Capital LLP

Patrick joined as a partner of Alpha Real Capital LLP in January 2015 from CBRE. He is a Chartered Surveyor focussing primarily on growing the group's ground rent and other long income property businesses. Patrick has 20 years experience in the property market, the majority which has been spent in the alternative asset sectors (hotels, healthcare, pub and leisure). His experience covers originating and structuring long income transactions across asset classes, investment advisory, portfolio transaction and valuation advice throughout Europe. Prior to CBRE, he was with Gerald Eve, Christie & Co and St Martins Property Corporation.

Scott Gardner Partner, Alpha Real Capital LLP

Scott has over 18 years experience in the real estate and funds management industries across Australia, Asia and Europe and has worked in financial institutions, property companies and real estate agency.

Nigel Ashfield Partner, Alpha Real Capital LLP; Managing Director, TIME Investments

Nigel founded TIME Investments, Alpha's authorised financial intermediary facing arm, in 2011 and is responsible for over £500 million of Alpha's funds under management and over 35 staff. He is also the fund manager of TIME:Freehold, which has a twenty one year track record of achieving inflation beating returns and constant liquidity. He was previously Managing Director of Close Brothers' Group plc's Tax Efficient and Property funds Management business where he worked for ten years. Nigel qualified as a Chartered Accountant with PwC after studying law.

Stephen Daniels Head of Tax Products, Partner, TIME Investments

Stephen has over seven years of experience of investing in UK SMEs and is the fund manager for the TIME:Advance and TIME:CTC tax efficient investment services. Previously, Stephen was a divisional director at Close Brothers' Tax Efficient and Property Funds Management business, with responsibility for structuring and managing tax efficient investments, including Enterprise Investment Schemes (EISs).

Simon Housden Sales and Marketing Director, Partner, TIME Investments

Simon is the sales and marketing Director of TIME Investments and manages a distribution team of eleven who support TIME's authorised advisor clients. Prior to joining TIME Investments he previously worked for Octopus Investments for nearly seven years, where he was head of strategic partnerships.

Anthony Buckley Operations Director, Partner, TIME Investments

Anthony is responsible for operations across a range of both onshore and offshore commercial and residential property funds. Previously he was Director of Operations at Close Brothers' Tax Efficient and Property Funds Management business for six years. Prior to that, he worked in a public practice in New Zealand for seven years, specialising in business advisory and taxation advice for SMEs and high net worth individuals. Anthony is a Chartered Accountant.

Alpha Real Capital LLP

Report of the members for the year ended 31 March 2016

The members present their report together with the audited financial statements for the year ended 31 March 2016.

Principal activity, trading review and future developments

The principal activity of Alpha Real Capital LLP (the "Partnership" "LLP") is the provision of investment management services. The Partnership is authorised and regulated by the Financial Conduct Authority. Alpha has applied to be a full scope authorised investment fund manager under the Alternative Investment Fund Managers Directive. The Chief Executive's report on pages 1 to 14 provides an update on the Partnership's performance for the year. The members are actively exploring opportunities to expand the Partnership's business base and assets under management.

Principal risks and uncertainties

The members are responsible for determining the level of risk acceptable to the Partnership. This is subject to regular review. The members believe the principal risks facing the Partnership are (1) credit risk – the risk of loss if another party fails to perform its obligations or fails to perform them in a timely fashion, (2) market risk – the risk of loss that arises from adverse movements in cash deposit interest rates and foreign exchange rate and (3) operational risk – the risk of loss through the loss of one or more of the Partnership's management contracts.

The members seek to mitigate risks through the application of strict controls, a monitoring process at the operational level of cash flows and fund performance and the use of insurance policies and foreign currency hedge contracts where appropriate. The Partnership has updated its Pillar 3 disclosures, as required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU), and includes these on the Partnership's website.

Designated members

The designated members during the year were:

P Rose
B J Bauman
Arrco Limited

Allocation of profits

Any profits are shared among the members as governed by the Limited Liability Partnership Deed (the "Deed") dated 30 September 2005 (as amended from time to time). Members are remunerated solely out of the profits of the Partnership and final allocation of profits to members is made in accordance with the Partnership Deed.

Capital

The members may only contribute to the Partnership's capital in accordance with the Deed. No member is entitled to interest on their capital.

Policy for drawings, subscriptions and repayment of members' capital

The Deed governs policies for members' drawings, subscriptions and repayment of members' capital. No drawings or other payments can be made to or on behalf of any members, other than by distribution of profits, without the consent of the members. The Partnership will reserve, out of profits before distribution, sufficient funds to provide for the working capital requirements of the business.

Alpha Real Capital LLP

Report of the members for the year ended 31 March 2016 (*continued*)

Disclosure of information to auditor

At the date of making this report each of the LLP's members confirms the following:

- So far as each member is aware there is no relevant information needed by the LLP's auditor in connection with the preparation of their report of which the LLP's auditor are unaware; and
- each member has taken all the steps that he/she or it ought to have taken as a member in order to make his/ her/ itself aware of any relevant information needed by the LLP's auditor in connection with the preparation of their report and to establish that the LLP's auditor are aware of that information.

Auditor

A resolution to re-appoint BDO LLP as auditor will be proposed at the next member's meeting.

Approved by the members of the Alpha Real Capital Limited Liability Partnership on 29 June 2016.



Phillip Rose
Designated member
29 June 2016

Alpha Real Capital LLP

Members' responsibilities

Members' responsibilities

The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulation. The Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008* require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members 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 Limited Liability Partnership and of the profit or loss of the Group and Limited Liability Partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008*. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Alpha Real Capital LLP

Independent auditor's report

Independent auditor's report to the members of Alpha Real Capital LLP

We have audited the financial statements of Alpha Real Capital LLP for the year ended 31 March 2016 which comprise the primary statements such as the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and partnership statement of financial position, the consolidated cash flow statement, the consolidated statement of movement in members' interests 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 limited liability partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the statement of members' responsibilities, the members 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Alpha Real Capital LLP

Independent auditor's report (*continued*)

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 limited liability partnership's affairs as at 31 March 2016 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

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 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit.



Alexander Tapp (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

29 June 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Alpha Real Capital LLP

Consolidated income statement for the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	17,307,576	16,674,661
Cost of sales		(426,752)	(1,020,857)
Administrative expenses		(9,798,957)	(8,836,100)
Other operating income		<u>29,917</u>	<u>260,639</u>
Operating profit	4	7,111,784	7,078,343
Interest receivable	6	393,091	422,024
Gains from changes in fair value of investment property	11	348,363	(7,619)
Income from current asset investments	7	102,849	-
Impairment of investments	12	(143,340)	(834,120)
Share of Associate profit before tax	13	<u>5,224,027</u>	<u>2,285,904</u>
Profit on ordinary activities before taxation		13,036,774	8,944,532
Taxation on profit on ordinary activities	8	<u>(23,984)</u>	<u>(21,830)</u>
Profit on ordinary activities after taxation		13,012,790	8,922,702
Share of dividends received in associate		<u>-</u>	<u>20,342</u>
Profit for the financial year before members' remuneration and profit shares		<u>13,012,790</u>	<u>8,943,044</u>
Profit for the financial year before members' remuneration and profit shares attributable to:			
Members as owners of the parent entity		10,706,860	7,436,683
Non controlling interests		<u>2,305,930</u>	<u>1,506,361</u>
		<u>13,012,790</u>	<u>8,943,044</u>
Profit for the financial year before members' remuneration and profit shares		10,706,860	7,436,683
Members' profit share charged as an expense		<u>(10,706,860)</u>	<u>(7,436,683)</u>
Result for the financial year available for discretionary division among the members		<u>-</u>	<u>-</u>

All amounts relate to continuing activities.

The notes on pages 28 to 46 form part of these financial statements.

Alpha Real Capital LLP

Consolidated statement of comprehensive income for the year ended 31 March 2016

	Note	2016 £	2015 £
Profit for the financial year before members' remuneration and profit shares		13,012,790	8,943,044
Currency translation differences			
- Group		28,674	(30,363)
- Associate		676,522	(427,308)
		<u>705,196</u>	<u>(457,671)</u>
Share of associate's costs for its share buy back programme		(252,927)	(5,701)
Share of associate's dividend paid to its PIP investors		-	(42,220)
		<u>452,269</u>	<u>(505,592)</u>
Other comprehensive income for the year		<u>452,269</u>	<u>(505,592)</u>
Total comprehensive income for the year		<u>13,465,059</u>	<u>8,437,452</u>
Total comprehensive income attributable to:			
Members as owners of the parent entity		11,159,129	6,931,091
Non controlling interests		2,305,930	1,506,361
		<u>13,465,059</u>	<u>8,437,452</u>

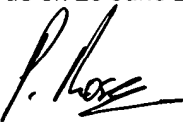
The notes on pages 28 to 46 form part of these financial statements.

Alpha Real Capital LLP

Consolidated statement of financial position at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	207,867	237,965
Investment property	11	812,363	464,000
Investments	12	33,482,181	25,888,912
		<hr/>	<hr/>
		34,502,511	26,590,877
Current assets			
Debtors	14	6,486,570	2,459,541
Investments	12	10,303	1,901,360
Cash at bank and in hand		7,964,204	7,766,406
		<hr/>	<hr/>
		14,461,077	12,127,307
Creditors: amounts falling due within one year			
Creditors	15	(6,740,099)	(5,123,395)
		<hr/>	<hr/>
Net current assets		7,720,978	7,003,912
		<hr/>	<hr/>
Net assets attributable to members		42,223,389	33,594,789
		<hr/>	<hr/>
Represented by:			
Loans and other debts due to members within one year			
Amounts due to members		12,200,087	4,299,745
		<hr/>	<hr/>
Members' other interests			
Members' capital classified as equity		28,966,623	28,956,623
		<hr/>	<hr/>
Total members' interests		41,166,710	33,256,368
		<hr/>	<hr/>
Non controlling interests		1,056,679	338,421
		<hr/>	<hr/>
		42,223,389	33,594,789
		<hr/>	<hr/>
Total members' interests			
Amounts due to members		12,200,087	4,299,745
Members' capital		28,966,623	28,956,623
		<hr/>	<hr/>
		41,166,710	33,256,368
		<hr/>	<hr/>

The financial statements were approved by the members of the Limited Liability Partnership and authorised for issue on 29 June 2016.


Phillip Rose
Designated member

The notes on pages 28 to 46 form part of these financial statements.

Alpha Real Capital LLP

Consolidated statement of movement in members' interest for the year ended 31 March 2016

	Members' capital (classified as equity) £	Amounts attributable to members £	Non controlling interests £	Total £
As at 1 April 2015 (adjusted for FRS 102 changes)	28,956,623	4,299,745	338,421	33,594,789
Profit for the year	-	<u>10,706,860</u>	<u>2,305,930</u>	<u>13,012,790</u>
Members' interests after profit for the year	<u>28,956,623</u>	<u>15,006,605</u>	<u>2,644,351</u>	<u>46,607,579</u>
Comprehensive income - currency translation differences	-	705,196	-	705,196
Comprehensive income - share buy backs	-	<u>(252,927)</u>	-	<u>(252,927)</u>
Other comprehensive income for the year	-	<u>452,269</u>	-	<u>452,269</u>
Total members interests after profits for the year and comprehensive income	28,956,623	15,458,874	2,644,351	47,059,848
Contributions by and distributions to members				
Introduction of capital	10,000	-		10,000
Drawings	-	<u>(3,258,787)</u>	<u>(1,587,672)</u>	<u>(4,846,459)</u>
Total contributions by and distributions to members	<u>10,000</u>	<u>(3,258,787)</u>	<u>1,587,672)</u>	<u>(4,836,459)</u>
As at 31 March 2016	<u>28,966,323</u>	<u>12,200,087</u>	<u>1,056,679</u>	<u>42,223,389</u>

The notes on pages 28 to 46 form part of these financial statements.

Alpha Real Capital LLP

Consolidated statement of movement in members' interest for the prior year ended 31 March 2015

	Members' capital (classified as equity) £	Revaluation reserve £	Amounts attributable to members £	Non controlling interests £	Total £
As at 1 April 2014	28,951,623	(1,120,292)	6,800,818	248,039	34,880,188
FRS 102 prior year adjustment	-	<u>1,120,292</u>	<u>(2,164,658)</u>	-	<u>(1,044,366)</u>
Restated balance as at 1 April 2014	28,951,623	-	4,636,160	248,039	33,835,822
Profit for the year	-	-	<u>7,436,683</u>	<u>1,506,361</u>	<u>8,943,044</u>
Members' interests after profit for the year	<u>28,951,623</u>	-	<u>12,072,843</u>	<u>1,754,400</u>	<u>42,778,866</u>
Comprehensive income - Currency translation differences	-	-	(430,257)	-	(430,257)
Comprehensive income - share buy backs	-	-	<u>(5,701)</u>	-	<u>(5,701)</u>
Other comprehensive income for the year	-	-	<u>(435,958)</u>	-	<u>(435,958)</u>
Total members interests after profits for the year and comprehensive income	28,951,623	-	11,636,885	1,754,400	42,342,908
Other movements in Associate:					
Share of dividends	-	-	(42,220)	-	(42,220)
Movement in reserve	-	-	-	-	-
Prior year adjustment	-	-	591,937	-	591,937
Prior year re-allocation	-	-	-	-	-
Total	-	-	<u>549,717</u>	-	<u>549,717</u>
Contributions by and distributions to members					
Introduction of capital	5,000	-	-	-	5,000
Drawings	-	-	<u>(7,886,857)</u>	<u>(1,415,979)</u>	<u>(9,302,836)</u>
Total contributions by and distributions to members	<u>5,000</u>	-	<u>(7,886,857)</u>	<u>(1,415,979)</u>	<u>(9,297,836)</u>
As at 31 March 2015	<u>28,956,623</u>	-	<u>4,299,745</u>	<u>338,421</u>	<u>33,594,789</u>

The notes on pages 28 to 46 form part of these financial statements.

Alpha Real Capital LLP

Consolidated statement of cash flow for the year ended 31 March 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year before members' remuneration and profit shares		13,012,790	8,943,044
Adjustments for:			
Depreciation	10	46,279	46,359
(Increase) / decrease in debtors		(1,250,145)	737,090
Increase in creditors		1,708,141	513,080
Currency translation		22,533	19,536
Net interest receivable	6	(393,091)	(408,897)
Gain on disposal of investment	7	(102,849)	-
Taxation	8	20,197	18,791
Impairment of investments	12	143,340	834,400
Fair value movement of investment property	11	(348,363)	7,619
Movements re Associate		<u>(5,220,240)</u>	<u>(1,843,064)</u>
Net cash inflow from operating activities	15	7,638,592	8,867,958
Returns on investments and servicing of finance			
Interest received		<u>42,720</u>	<u>408,897</u>
		42,720	408,897
Taxation paid		(18,964)	(14,531)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	10	(34,315)	(46,869)
Investments made	12	(8,600,000)	(211,960)
Loan made		(2,700,000)	(5,777,481)
Purchase of subsidiary undertaking		(25,000)	-
Purchase of investment property		-	(237,619)
Gain on disposal of investment	7	102,849	-
Repayment of loan		-	9,594,131
Sale of tangible fixed assets	10	-	160
Sale of investments	12	<u>8,599,088</u>	<u>613,380</u>
		<u>(2,657,379)</u>	<u>3,933,742</u>
Transactions with members			
Payments to members	16	(3,258,787)	(7,886,857)
Capital contributions	16	<u>10,000</u>	<u>5,000</u>
		<u>(3,248,787)</u>	<u>(7,881,857)</u>
Transactions with non controlling interests			
Drawings of non controlling interests		<u>(2,099,585)</u>	<u>(1,415,978)</u>
Increase / (decrease) in cash		197,798	3,898,231
Cash at start of year		<u>7,766,406</u>	<u>3,868,175</u>
Cash at end of year		<u><u>7,964,204</u></u>	<u><u>7,766,406</u></u>

The notes on pages 28 to 46 form part of these financial statements.

Alpha Real Capital LLP

Partnership statement of financial position at 31 March 2016

OC312705

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	177,456	206,268
Investments	12	16,229,942	16,319,745
		<u>16,407,398</u>	<u>16,526,013</u>
Current assets			
Debtors	14	3,740,538	2,647,477
Investments	12	9,391	-
Cash at bank and in hand		2,534,217	3,934,873
		<u>6,284,146</u>	<u>6,582,350</u>
Creditors: amounts falling due within one year			
Creditors	15	(5,116,706)	(6,661,067)
		<u>1,167,440</u>	<u>(78,717)</u>
Net current assets / (liabilities)			
		<u>17,574,838</u>	<u>16,447,296</u>
Net assets attributable to members			
		<u>17,574,838</u>	<u>16,447,296</u>
Represented by:			
Loans and other debts due to members within one year			
Amounts due to members		1,466,575	205,693
Members' other interests			
Members' capital classified as equity		28,966,623	28,956,623
Other reserves		(12,858,360)	(12,715,020)
		<u>17,574,838</u>	<u>16,447,296</u>
Total members' interests			
		<u>17,574,838</u>	<u>16,447,296</u>
Total members' interest			
Amounts due to members		1,466,575	205,693
Members' capital		28,966,623	28,956,623
Members' other interests – other reserves		(12,858,360)	(12,715,020)
		<u>17,574,838</u>	<u>16,447,296</u>

The financial statements were approved by the members of the Limited Liability Partnership and authorised for issue on 29 June 2016.



Phillip Rose
Designated member

The notes on pages 28 to 46 form part of these financial statements.

Alpha Real Capital LLP

Partnership statement of movement in members' interest for the year ended 31 March 2016

	Members' capital (classified as equity) £	Other reserves £	Amounts attributable to members £	Equity attributable to members £
As at 1 April 2015	28,956,623	(12,715,020)	205,693	16,447,296
FRS 102 adjustment	-	(143,340)	-	(143,340)
Profit for the year	-	-	4,519,669	4,519,669
Members' interests after profit for the year and Total comprehensive income for the year	28,956,623	(12,858,360)	4,725,362	20,823,625
Contributions by and distributions to members				
Introduction of capital	10,000	-	-	10,000
Drawings	-	-	(3,258,787)	(3,258,787)
Total contributions by and distributions to members	10,000	-	(3,258,787)	(3,248,787)
As at 31 March 2016	<u>28,966,623</u>	<u>(12,858,360)</u>	<u>1,466,575</u>	<u>17,574,838</u>

	Members' capital (classified as equity) £	Other reserves £	Amounts attributable to members £	Equity attributable to members £
As at 1 April 2014	28,951,623	(11,906,400)	3,051,318	20,096,541
FRS 102 prior year adjustment	-	(446,481)	-	(446,481)
Profit for the year	-	(362,139)	5,041,232	4,679,093
Members' interests after profit for the year and Total comprehensive income for the year	28,951,623	(12,715,020)	8,092,550	24,329,153
Contributions by and distributions to members				
Introduction of capital	5,000	-	-	5,000
Drawings	-	-	(7,886,857)	(7,886,857)
Total contributions by and distributions to members	5,000	-	(7,886,857)	(7,881,857)
As at 31 March 2015	<u>28,956,623</u>	<u>(12,715,020)</u>	<u>205,693</u>	<u>16,447,296</u>

The notes on pages 28 to 46 form part of these financial statements.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, including the Statement of Recommended Practice (2015), 'Accounting by Limited Liability Partnerships', July 2014.

Impact of the first-time adoption of FRS 102 is given in note 21.

This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 is 1 April 2014. In the prior year, the financial statements were prepared in accordance with applicable UK Accounting Standards. The presentation currency is £ sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the LLP's members to exercise judgement in applying the Group's accounting policies (see note 2).

Alpha Real Capital LLP disclosure exemptions

In preparing the separate financial statements of ARC, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for ARC; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of ARC as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Alpha Real Capital LLP and its subsidiaries ("the Group") as if they formed a single entity. Inter group transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014. Therefore, the group continues to recognise a merger in accordance with UK GAAP as applied at that time, and on transition of the original partnership into the LLP.

Associates

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for under the equity method of accounting. Under this method, an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit and loss, other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the group's share of the operating result, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with the group. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Turnover

Turnover represents the invoiced value of services provided net of value added tax. Management and incentive fees are recognised as earned in accordance with the relevant investment management agreement.

Dividend income from investments is recognised when the shareholders' rights to receive payment is established.

Interest income is accrued on a time proportionate basis by reference to the principal outstanding and at the interest rate applicable, on an effective yield basis.

Gains or losses on sale of investments are recognised on disposal date.

Other income is accrued when prudent to do so.

Cost of sales

Cost of sales reflects costs attributable to adviser commission, bad debt provision and other fund related operating expenses.

Operating expenses

Operating expenses reflect costs attributable to adviser commission, bad debt provision and other fund related operating expenses.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' continues.

Taxation

Taxation on a members' share of the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements. The tax within these consolidated financial statements relate to the corporate subsidiaries of the group.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the LLP's subsidiaries operate and generate taxable income.

Deferred tax balances are recognised in respect of all temporary timing differences that have originated but not reversed by the balance sheet date

Deferred tax is determined on the basis of tax effect accounting, using the liability method, and is applied to all temporary differences at the reporting date between the carrying amounts of assets and liabilities and the amounts used for tax purposes except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Taxation (continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised, where material, for all taxable temporary differences except those mentioned above. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in 'sterling', which is the LLP's functional and the group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transaction took place. All assets and liabilities of overseas operations are translated at the rate ruling at the operating date. Exchange differences arising on translating opening net assets at opening rate and the results of the overseas operations at actual rate are taken to reserves and are recognised in other comprehensive income.

(b) Transactions and balances

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses are presented in profit and loss within 'other operating income or expense'.

Tangible fixed assets

Tangible fixed assets, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Depreciation

Depreciation is provided on all tangible fixed assets to write off the cost or valuation, less estimated residual values, evenly over their estimated useful lives using the straight-line method. The estimated useful lives range as follows

Leasehold improvements	-	16.66%
Computer equipment	-	33.33%
Fixtures and fittings	-	20.00% to 33.33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Investment properties

Investment properties comprise freehold and long leasehold interests which are held for their investment potential. They are carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Disposals are recognised on unconditional exchange.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Investments in listed company shares, which have been classified as current asset investments, are re-measured to the share price at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Debtors

Debtors are measured at the transaction price, less any impairment.

Cash

Cash at bank and in hand consist of cash and cash balances held with banks.

Creditors

Creditors are measured at the transaction price.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Financial assets

(a) Classification

The Group classifies its financial assets as fixed asset investments and current asset investments. The classification depends on the purpose of which the assets were acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the end of financial year.

(i) Fixed asset investments – Convertible Unsecured Loan Stock (CULS) and Loan notes

The CULS and loan notes are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classed as 'Fixed asset investments' on the statement of financial position.

(ii) Current asset investments

Current asset investments are non-derivatives that management intends to dispose of within 12 months after the end of financial year.

(iii) Derivatives at fair value through profit or loss

This category comprises only "in the money" financial derivatives.

(b) Recognition and de-recognition

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Regular way of purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the assets.

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and the net sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to the asset is reclassified from other comprehensive income to profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(c) Initial and subsequent measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

After initial recognition, loans and receivables are carried at amortised cost, where applicable, using the effective interest rate method, less impairment loss, if any. Current asset investments are subsequently carried at fair value.

The effective interest method is a method that calculates the amortised cost of a financial instrument and allocates the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Financial assets (continued)

(c) Initial and subsequent measurement (*continued*)

Derivatives at fair value through profit or loss are carried in the statement of financial position at fair value, with changes in fair value recognised in the statement of profit or loss and other comprehensive income.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less any impairment losses.

Interest and dividend income from current asset investments are recognised separately in profit or loss.

(d) Impairment

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

(i) Loans and receivables

The Group considers evidence of impairment for loans and receivables at a specific asset level. All individually significant loans and receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

When the asset becomes uncollectible, it is written off against the allowance account. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Investments

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Company, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Other financial liabilities comprise loans and borrowings and trade and other payables. Gains or losses are recognised in profit and loss when the liabilities are derecognised as well as through the amortisation process.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) Recognition and de-recognition

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired.

On de-recognition of a financial liability, the difference between the carrying amount and consideration paid is recognised in the statement of profit or loss and other comprehensive income.

Members' capital

Initial capital contributions ('principal capital') of each of the members are amounts as set out in the LLP agreement. Further members shall contribute upon admission to the LLP such capital as determined by the Board.

No member can withdraw or receive back any part of their principal capital contribution account except for in specific circumstances as detailed in the LLP deed and approved by the Board. Members' principal capital is therefore classified as equity.

Profit allocations

Profit allocations are recognised in the year in which they are declared and become a present obligation of the LLP.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

1 Accounting policies (*continued*)

Pension costs

Contributions to the group's defined contribution pension scheme are charged to profit or loss in the year to which they become payable.

Some of the subsidiaries of the group operate defined benefit pension plans. However, as the LLP is not itself party to the scheme and none of its employees are members of that scheme, no proportion of the scheme is recognised in its individual LLP financial statements.

Onerous leases

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

Professional indemnity insurance

Insurance premiums are expensed to the profit and loss account over the period of the insurance cover. Provision is made for any uninsured excess that is likely to be payable in respect of claims made. These are based on best estimate of the expected cash outflows, discounted to present value where appropriate.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain accounting judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgment in applying the Group's accounting policies

The areas where judgements are most significant to the financial statements are disclosed below:

- Determine whether there are indicators of impairment of the group's assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- To establish a provision for receivables which are estimated not to be recoverable. When assessing recoverability, factors such as the age of the receivables, past experience of recoverability, and the credit profile of customers are considered.
- At the end of each financial year, the fair value of the subscription rights within the warrant instruments is estimated by the management, as the fair value attributable to the subscription rights was not recognised in the current year due to it being considered immaterial.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

(b) Other key sources of estimation uncertainty

The areas where estimates are most significant to the financial statements are disclosed below:

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors such as how an asset is used, significant unexpected wear and tear, technological advancement, and changes in market prices.

Investments

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Listed investments are valued at the quoted share price on the London Stock Exchange at the reporting date.

Unquoted investments are valued using the methods most appropriate to the type of investment.

Investment property

Investment properties are valued by the members' taking into account market values and an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

Recoverability of receivables

The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Group considers factors such as the age of the receivables, past experience of recoverability, and the credit profile of customers.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

3 Turnover

	2016 £	2015 £
Group turnover consists of:		
Fee income	17,307,576	16,674,661

Fee income is wholly attributable to the principal activity of the Group, and arises within the United Kingdom, the Isle of Man and the Channel Islands.

4 Operating profit

	2016 £	2015 £
Group operating profit has been arrived at after charging:		
Depreciation	34,901	46,359
Auditor's remuneration – audit services	53,475	48,757
Auditor's remuneration – taxation services	31,162	28,744
Operating lease payments	312,341	334,886
Provision against a loan	-	170,325

Included within auditor's remuneration for audit services above is £30,321 (2015: £25,457) payable to the auditors of the subsidiary entities.

5 Employees

	2016 £	2015 £
Staff costs consist of:		
Wages and salaries	4,954,493	4,510,605
Social security costs	562,996	625,435
Pension	103,917	61,767
	5,621,406	5,197,807

The average number of employees during the year was 72 (2015: 61).

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

6 Interest receivable

	2016 £	2015 £
Bank interest receivable	42,720	40,069
Interest receivable on Convertible Unsecured Loan Stock (CULS)	5,474	133,095
Interest receivable on Loan Notes	261,464	-
Interest receivable on loan to a related party	83,433	-
Interest from loans to Easter/Wester Allt Mheil	-	248,860
	<u>393,091</u>	<u>422,024</u>

7 Income from current asset investments

	2016 £	2015 £
Gain on disposal of investments	102,849	-
	<u>102,849</u>	<u>-</u>

8 Taxation on profit on ordinary activities

	2016 £	2015 £
Group foreign tax	20,197	18,791
Share of associate tax	3,787	3,039
	<u>23,984</u>	<u>21,830</u>

The Group tax assessed for the year is different to the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before taxation	13,036,774	8,952,151
Corporation tax in the UK of 20% (2015 - 20%)	2,607,534	1,790,430
Effect of:		
Income taxed as members' personal tax	(2,583,370)	(1,768,600)
	<u>23,984</u>	<u>21,830</u>

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

9 Members' share of profits

Profits and losses are shared by the members at the end of the year in accordance with agreed profit and loss sharing arrangements governed by the Partnership Agreement. Members are required to make their own provision for pensions and other benefits from their profit shares.

	Number
Average number of members	13
	<hr/>
	£
Average profit per member	1,000,984
	<hr/>
Entitlement of partner with largest profit share	2,072,908
	<hr/>

10 Tangible assets

Group	Leasehold Improvements £	Fixtures and fittings £	Computer Equipment £	Total £
<i>Cost</i>				
At 1 April 2015	217,575	74,115	128,982	420,672
Additions	4,602	8,012	21,701	34,315
Disposals	-	-	-	-
Foreign exchange translation	-	1,951	913	2,864
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	222,177	84,078	151,596	457,851
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2015	35,744	65,515	81,448	182,707
Depreciation provided	12,029	5,981	28,269	46,279
Disposals	-	-	-	-
Transfer to other group companies	19,704	-	-	19,704
Foreign exchange translation	-	543	751	1,294
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	67,477	72,038	110,469	249,984
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2016	154,700	12,040	41,127	207,867
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	181,831	8,600	47,534	237,965
	<hr/>	<hr/>	<hr/>	<hr/>

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (*continued*)

10 Tangible assets (*continued*)

Partnership	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>				
At 1 April 2015	217,575	14,789	46,611	278,975
Additions	-	3,779	11,779	15,558
Disposals	-	-	-	-
Foreign exchange translation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	217,575	18,568	58,390	294,533
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2015	35,744	10,190	26,773	72,707
Depreciation provided	11,379	2,508	10,779	24,666
Disposals	-	-	-	19,704
Transfer to other group companies	19,704	-	-	-
Foreign exchange translation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2016	66,827	12,698	37,552	117,077
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2016	150,748	5,870	20,838	177,456
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	181,831	4,599	19,838	206,268
	<hr/>	<hr/>	<hr/>	<hr/>

11 Investment property

	2016 Group £	2016 Partnership £	2015 Group £	2015 Partnership £
<i>Cost and net book value</i>				
At 1 April	464,000	-	234,000	-
Addition in year	-	-	237,619	-
Surplus / (deficit) on revaluation	348,363	-	(7,619)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March	812,363	-	464,000	-
	<hr/>	<hr/>	<hr/>	<hr/>

The investment properties have been included in the balance sheet at fair value based on advice from the designated partners of the group entity.

The historical cost of the properties are £482,332.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

12 Investments

Group	Convertible Unsecured Loan Stock (CULS) and Loan Notes	Associates	Investments	Total
	£	£	£	£
<i>Cost and net book value</i>				
At 1 April 2015	1,901,360	25,725,705	1,199,708	28,826,773
1 April 2015 adjustments for FRS 102 adjustments	-	(202,381)	(834,120)	(1,036,501)
Restated as at 1 April 2015	1,901,360	25,523,324	365,588	27,790,272
Investment made	2,163,753	-	8,600,000	10,763,753
Investment disposals	(1,901,360)	-	(8,599,089)	(10,500,449)
Share of associate's profit for the year	-	5,699,852	-	5,699,852
Share of associate's currency translation differences	-	676,522	-	676,522
Share of associate's costs for its share buy back programme	-	(252,927)	-	(252,927)
Share of associate's dividends paid	-	(541,200)	-	(541,200)
Impairment of investment	-	-	(143,340)	(143,340)
At 31 March 2016	<u>2,163,753</u>	<u>31,105,571</u>	<u>223,159</u>	<u>33,492,484</u>
Analysed as:				
Non-current	2,163,753	31,105,571	212,856	33,482,181
Current	-	-	10,303	10,303
	<u>2,163,753</u>	<u>31,105,571</u>	<u>223,159</u>	<u>33,492,484</u>

Partnership	Subsidiaries	Associates	Investments	Total
	£	£	£	£
<i>Cost and net book value</i>				
At 1 April 2015	16,167,014	-	986,851	17,153,865
1 April 2015 adjustments for FRS 102 adjustments	-	-	(834,120)	(834,120)
Investment made	62,928	-	-	62,928
Investment disposal	-	-	-	-
Impairment of investment	-	-	(143,340)	(143,340)
At 31 March 2016	<u>16,229,942</u>	<u>-</u>	<u>9,391</u>	<u>16,239,333</u>
Analysed as:				
Non-current	16,229,942	-	-	16,229,942
Current	-	-	9,391	9,391
	<u>16,229,942</u>	<u>-</u>	<u>9,391</u>	<u>16,239,333</u>

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

12 Investments (continued)

	Country of incorporation	Percentage owned and voting rights	Principal activity
Subsidiary undertakings:			
Alpha Real Property Investment Advisers LLP	England and Wales	98.70%	Property fund management
Antler Property Investments UK LLP	England and Wales	92.00%	Property management services
Alpha Global Property Securities Fund PTE Limited	Singapore	100.00%	Investment company
Alpha Real Capital France SARL	France	100.00%	Property management services
Alpha Real Capital Germany GmbH	Germany	100.00%	Property management services
Alpha Real Capital India Pvt Ltd	India	100.00%	Property management services
Performance Real Estate LLP	England and Wales	100.00%	Property management services
Glenglass Renewables Limited	England and Wales	100.00%	Renewable energy
Alpha Real Technology LLP	England and Wales	100.00%	Data centre consultancy
Palm Capital Partners LLP	England and Wales	100.00%	Capital markets advisory services
Skygreen Renewables Limited **	England and Wales	100.00%	Renewable energy
Alternative Real Capital LLP **	England and Wales	100.00%	Fund management services
Alpha Property Lending LLP **	England and Wales	100.00%	Asset backed lending
ART PRS Birmingham GP Ltd (formally ARC GP No1 Limited)	England and Wales	100.00%	General partner to ART Investments LP
MAC Partners LLP **	England and Wales	100.00%	Asset management
OWN PRS LLP **	England and Wales	100.00%	PRS asset management
ART PRS Leeds GP Ltd (formally ARC GP No2 Limited)	England and Wales	100.00%	General partner to ART Investments 2 LP
Future Lending Limited (formally Compamate Limited and Lendbanq Limited)	England and Wales	100.00%	P2P lending platform
Associate undertakings:			
Alpha Real Trust Limited	Guernsey	32.53% *	Property investment company

* As at 31 March 2016.

** Dormant as at 31 March 2016.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

13 Share of Associate's profit before tax

	2016 £	2015 £
Share of operating profit	3,799,515	1,196,613
Share of joint venture profit	23,848	151,088
Interest receivable	2,273,914	1,544,986
Interest payable	(873,250)	(606,783)
	<u>5,224,027</u>	<u>2,285,904</u>
Taxation	(3,787)	(3,039)
Share of dividends received	-	20,342
	<u>5,220,240</u>	<u>2,303,207</u>

14 Debtors

	2016 Group £	2016 Partnership £	2015 Group £	2015 Partnership £
Trade debtors	1,509,150	1,285,559	1,606,915	1,534,258
Other debtors	3,036,346	18,601	350,912	59,602
VAT recoverable	16,842	-	76,323	20,033
Prepayments and accrued income	1,924,232	1,659,095	425,391	258,563
Amount due from group undertakings	-	777,283	-	775,021
	<u>6,486,570</u>	<u>3,740,538</u>	<u>2,459,541</u>	<u>2,647,477</u>

All amounts shown under debtors fall due for payment within one year.

15 Creditors: amounts falling due within one year

	2016 Group £	2016 Partnership £	2015 Group £	2015 Partnership £
Trade creditors	806,673	292,192	521,685	360,280
Other tax and social security	773,143	185,977	631,053	97,120
Other creditors	1,329,188	374,365	808,410	391,614
Accruals and deferred income	3,831,095	1,227,328	3,162,247	642,868
Amount due to group undertakings	-	3,036,844	-	5,169,185
	<u>6,740,099</u>	<u>5,116,706</u>	<u>5,123,395</u>	<u>6,661,067</u>

All amounts shown under creditors fall due for payment within one year.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

16 Members' interests

	Members' capital (classified as equity) £	Revaluation reserve £	Amounts due to members £	Total £
Group				
Members' interests at 1 April 2015 (UK GAAP)	28,956,623	(365,435)	5,70,1861	34,292,869
FRS 102 adjustments	-	365,435	(1,401,936)	(1,036,501)
Re-stated members' interests at 1 April 2015	28,956,623	-	4,299,745	33,256,368
Members' remuneration charged as an expense	-	-	10,706,860	10,706,860
Members' interests after profit for the year	28,956,623	-	15,006,605	43,963,228
Capital contribution	10,000	-	-	10,000
Drawings	-	-	(3,258,787)	(3,258,787)
Foreign exchange movement - Group	-	-	28,674	28,674
Foreign exchange movement - Associate	-	-	676,522	676,522
Share of associate's costs for its share buy back programme	-	-	(252,927)	(252,927)
Members' interests at 31 March 2016	28,966,323	-	12,200,087	41,166,710
	Members' capital (classified as equity) £	Other reserves £	Amounts due to members £	Total £
Partnership				
Members' interests at 1 April 2015 (UK GAAP)	28,956,623	(11,880,900)	205,693	17,281,416
FRS 102 adjustment	-	(834,120)	-	(834,120)
	28,956,623	(12,715,020)	205,693	16,447,296
Members' remuneration charged as an expense	-	(143,340)	4,371,514	4,228,174
Members' interests after profit for the year	28,956,623	(12,858,360)	4,577,207	20,675,470
Capital contribution	10,000	-	-	10,000
Drawings	-	-	(3,258,787)	(3,258,787)
Members' interests at 31 March 2016	28,966,623	(12,858,360)	1,318,420	17,426,683

Members' other interests and other debts rank after unsecured creditors in the event of a winding up.

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

17 Partnership profit and loss account

The Partnership has taken advantage of the exemption under section 408 of the 2006 Companies Act not to disclose the Partnership profit and loss account. Included in the consolidated profit and loss account is a profit of £3,542,209 (2015: £4,232,612 adjusted for FRS 102) relating to the Partnership.

18 Commitments under operating leases

The Group had total lease commitments under non-cancellable operating leases as set out below:

	2016 £	2015 £
Within one year	529,293	332,137
In one to five years	1,876,449	78,314
	<u>2,405,742</u>	<u>410,451</u>

All operating leases are in respect of rent of land and buildings.

19 Ultimate controlling parties

At 31 March 2016 the ultimate controlling parties were the designated members.

20 Related party transactions

The Partnership recognises members, subsidiary partnerships with non-controlling interests and associate companies as related parties and the transactions with these parties are detailed below. Transactions with wholly owned subsidiary companies, which are related parties, are eliminated on consolidation and not disclosed in this note.

Transactions with associate company

Alpha Real Capital LLP ("ARC") provided property and investment management services of £1,651,066 (2015: £1,558,897) to Alpha Real Trust Limited ("ART"), an associate company, and at the 31 March 2016 the balance of fees owed to the Partnership was £232,644 (2015: £246,656).

Alpha Real Property Investment Advisers LLP ("ARPIA"), a subsidiary of ARC, incurred £123,457 (2015: £108,064) in respect of management fee rebates with ART. As at 31 March 2016 ARPIA owed £32,670 (2015: £28,614) to ART.

Transactions with related parties

Alpha Global Property Securities Fund PTE has made a loan of £2,700,000 (2015: £nil) to Arrco Limited, a partner of Alpha Real Capital LLP which remains unpaid at 31 March 2016. The unpaid interest accrual at that date is £83,433 (2015: £nil). A loan arrangement fee of £27,000 (2015: £nil) was deducted from the loan.

Antler Property Investments UK LLP ("Antler") provided property and asset management services of £749,492 (2015: £758,046) to a UK property portfolio owned by the Rockmount Capital group which is owned by a discretionary trust that is also related to a member of ARC. Additionally, Rockmount Capital group companies have recharged administrative costs of £224,921 (2015: £207,097) to Antler. As at 31 March 2016, an amount of £355,840 was due to the Rockmount Capital group (2015: £41,708 due from Rockmount).

Alpha Real Capital LLP

Notes forming part of the financial statements for the year ended 31 March 2016 (continued)

21 First time adoption of FRS 102

The LLP has adopted FRS 102 for the year ended 31 March 2016 and has restated the comparative prior year amounts as follows:

	Note	Net assets as at 1 April 2014 £	Profit for the year ended 31 March 2015 £	Net assets as at 31 March 2015 £
Group				
As previously stated under former UK GAAP		34,880,188	9,168,317	34,631,290
Transitional adjustments:				
Revaluation to fair value of fixed asset investment	a	(446,481)	(834,120)	(834,120)
Impairment of investment property	b	-	(7,619)	-
Change in accounting of Associate	c	(1,044,366)	616,466	(202,381)
As stated in accordance with FRS 102		33,389,341	8,943,044	33,256,089

	Note	Net assets as at 1 April 2014 £	Profit for the year ended 31 March 2015 £	Net assets as at 31 March 2015 £
Partnership				
As previously stated under former UK GAAP		20,096,541	5,066,732	17,281,416
Transitional adjustments:				
Revaluation to fair value of fixed asset investment	a	(446,481)	(834,120)	(834,120)
As stated in accordance with FRS 102		19,650,060	4,232,612	16,447,296

Explanation of changes to previously reported profit and equity:

- FRS 102 requires that investments should be measured at fair value with changes in fair value recognised in profit and loss. Under previous UK GAAP, the group's accounting policy for both fixed and current asset investments in such shares was to hold them at cost.
- FRS 102 requires that investment properties should be measured at fair value with changes in fair value recognised in profit and loss. Under previous UK GAAP, the group's accounting policy was to account for the impairment in a revaluation reserve.
- FRS 102 requires changes to the accounting of the Associate:
 - the fair value of investment properties should now be recognised in profit or loss for the period. Under previous UK GAAP, these changes were recognised outside of profit or loss and presented separately in a revaluation reserve.
 - The fair value/mark to market of finance income and costs should now be recognised in profit or loss for the period. Under previous UK GAAP, these changes were not recognised.

Alpha Real Capital LLP

Members and Information

Members

P Rose *
B J Bauman *
Arrco Limited *
R Armist (deceased 1 April 2015)
IPGL Fund Services Limited
K Devon-Lowe
M Rattigan
Rockmount Ventures Limited
N Friedlos
B Frith
N Ashfield
H James
P Grant (joined 1 April 2015)
S Gardner (joined 8 February 2016)

* Designated members

Registered office

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Registered number

OC312705

Auditor

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Lawyers

Norton Rose, 3 More London Riverside, London, SE1 2AQ
Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS
Osborne Clarke, 1 London Wall, City of London, EC2Y 5EB

Bankers

Royal Bank of Scotland Plc, ABN Amro Bank N.V., Barclays PLC, HSBC Bank Plc