

Alder Investment Management Limited

Report and Financial Statements

31 December 2016

Company Number 02123798

WEDNESDAY



A64703KZ

A13

12/04/2017

#189

COMPANIES HOUSE

Alder Investment Management Limited

Report and financial statements for the year ended 31 December 2016

Contents

Page:

1	Strategic report
2	Report of the directors
4	Independent auditor's report
6	Statement of comprehensive income
7	Statement of financial position
8	Statement of cash flows
9	Statement of changes in equity
10	Notes forming part of the financial statements

Directors

R David C Henderson (Chairman)
Christopher J Brougham
Thomas E Hills
Richard T A Postlethwaite
Mark D R Shapley
Sir Edmund R Verney
The Lord Vestey
Hon Arthur G Vestey
George M W Vestey

Secretary and registered office

Alison M Buck
1 King's Arms Yard, London, EC2R 7AF

Company number

02123798

Auditors

Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD

Alder Investment Management Limited
Strategic report
for the year ended 31 December 2016

The directors present the strategic report of Alder Investment Management Limited for the year ended 31 December 2016.

The principal activity of the company is the management of clients' investments. The company is authorised and regulated by the Financial Conduct Authority Limited ("FCA").

Review of the business and principal activities

The company's profit on ordinary activities after taxation for the year ended 31 December 2016 amounted to £263,256 (2015: £198,237). The company's trading results are stated on page 6 of the financial statements.

Alder provides services only to members of one extended family, together with trusts and pension schemes related to that family's interests. It aims to provide a consistently high level of service at a very competitive cost compared with alternative providers. During 2016 there was no significant change in the number of clients but turnover increased by 2.4% following the decision by the board to increase fees broadly in line with the anticipated rise in costs together with increased revenue from portfolios where fees are linked to funds under management. The company expects to continue to trade successfully in 2017 with substantially the same client base and staffing.

Key performance indicators ('KPIs')

As described above the company aims to provide a consistently high level of service at a very competitive cost to its clients and it is therefore considered that further analysis using KPIs is not necessary for an understanding of the development, performance and position of the business.

Principal risks and uncertainties

Alder maintains close links with the family, many of whom hold ordinary shares in the parent company. In view of the close ties between Alder and the family the client base is considered to be very strong which, together with the comparatively low charges and maintenance of high standards of service, reduces competitive risks. Nevertheless the board is not complacent and actively confirms that clients are receiving a level of service that matches their needs and expectations.

The company has maintained a comfortable excess of FCA regulatory capital during the year. The board's policy of maintaining the balance sheet strength should ensure that capital continues to exceed requirements by a significant margin. Details of the company's unaudited Pillar 3 disclosures, required under Part Eight of the Capital Requirements Regulation (CRR), (Articles 431-455) are available on www.pillar3.eu.

The company is of such a scale that the business model is not complex and the risks inherent in the business are effectively managed. Turnover is comprised of fees that are fixed in advance and those which are market value related. The fixed fees (40% in 2016) provide a more certain source of income since they are not subject to investment market movements. Where fees are a function of market values (60% in 2016), these are calculated monthly to reduce the effect of any short term fluctuations. In addition, substantial reserves have been established to absorb the consequences of more sustained periods of reduced levels of income from such market value related income. Costs largely derive from property and payroll, which can usually be forecast with a relatively high degree of accuracy. The company's performance is primarily measured in terms of comparison to such financial forecasts. The assets are highly liquid and cash balances are deposited with highly rated UK banks and available at short notice. There are no borrowings and no significant exposure to foreign currency risk. Naturally there are always operational risks but these are controlled through the establishment of comprehensive systems and procedures, including disaster recovery arrangements, and mitigated further by insurance policies, where appropriate.

The company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors.

Approved by the Board of Directors and signed on behalf of the Board.


R T A Pustlethwaite
Director

30 March 2017

Alder Investment Management Limited

Report of the directors for the year ended 31 December 2016

The directors present their report together with the audited financial statements of Alder Investment Management Limited (the “company”) for the year ended 31 December 2016.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year.

The directors do not recommend the payment of a dividend (2015: £Nil).

Directors

The directors of the company during the year and up to the date of this report were:

R David C Henderson +
Christopher J Brougham +
Thomas E Hills +
Richard T A Postlethwaite
Mark D R Shapley
Sir Edmund R Verney +
The Lord Vestey +
Hon Arthur G Vestey (alternate for The Lord Vestey - appointed 19 August 2016) +
George M W Vestey +

+ Non-executive

Directors' responsibilities

The directors are responsible for preparing the directors' report, annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Alder Investment Management Limited

Report of the directors for the year ended 31 December 2016 (*Continued*)

Going concern

The company's activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report on page 1.

The company has considerable financial resources and income and costs can usually be forecast with a high degree of accuracy. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

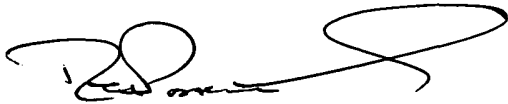
Disclosure of information to the auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Re-appointment of auditors

Kingston Smith LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



R T A Postlethwaite
Director

30 March 2017

Alder Investment Management Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALDER INVESTMENT MANAGEMENT LIMITED

We have audited the financial statements of Alder Investment Management Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Alder Investment Management Limited

Independent auditor's report (Continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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



*Rebecca Shields (senior statutory auditor)
For and on behalf of Kingston Smith LLP, statutory auditor
Devonshire House
60 Goswell Road
London EC1M 7AD*

6 April 2017

Alder Investment Management Limited

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	5	2,970,063	2,901,513
Operating costs			
Staff costs	6	(2,082,341)	(2,027,342)
Other operating costs		(566,491)	(631,402)
Operating profit		321,231	242,769
Other interest receivable		14,594	9,574
Profit on ordinary activities before taxation	8	335,825	252,343
Tax on profit on ordinary activities	9	(72,569)	(54,106)
Profit for the financial year	15	263,256	198,237
Other comprehensive (loss)/income			
Actuarial (loss)/gain on unfunded defined benefit pension scheme		(98,625)	45,075
Taxation in respect of (loss)/gain on unfunded pension scheme		19,725	(9,015)
Total comprehensive income for the financial year		184,356	234,297

All of the amounts above are in respect of continuing operations.

The notes on pages 10 to 20 form part of these financial statements.

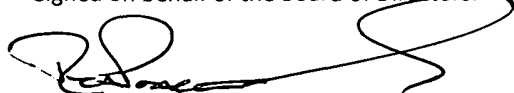
Alder Investment Management Limited

Statement of financial position at 31 December 2016

<i>Company number 02123798</i>	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	10		6,800		9,622
Investments held as fixed assets	11		1		1
			6,801		9,623
Current assets					
Debtors	12	367,420		122,040	
Deferred tax on pension liability	18	153,195		109,065	
Cash at bank and in hand		3,371,391		3,009,947	
		3,892,006		3,241,052	
Creditors: amounts falling due within one year	13	(1,121,095)		(877,969)	
Net current assets			2,770,911		2,363,083
Net assets excluding pension liability			2,777,712		2,372,706
Pension liability	18		(765,975)		(545,325)
Net assets including pension liability			2,011,737		1,827,381
Capital and reserves					
Called up share capital	14		320,000		320,000
Share premium account	15		319,900		319,900
Profit and loss account	15		1,371,837		1,187,481
Shareholders' funds			2,011,737		1,827,381

The financial statements were approved by the Board of Directors and authorised for issue on 30 March 2017.

Signed on behalf of the Board of Directors:



R T A Postlethwaite
Director

The notes on pages 10 to 20 form part of these financial statements.

Alder Investment Management Limited

Statement of cash flows for the year ended 31 December 2016

	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities				
Profit for the financial year		263,256		198,237
Adjustments for:				
Depreciation of tangible assets	6,117		6,958	
Pension scheme expense recognised in profit and loss	122,025		120,300	
Interest received	(14,594)		(9,574)	
Taxation	72,202		54,106	
Increase in debtors	(245,380)		(11,449)	
Increase in creditors	222,486		316,162	
		162,856		476,503
Cash from operations		426,112		674,740
Income taxes paid		(75,967)		(78,109)
Net cash generated from operating activities		350,145		596,631
Cash flows from investing activities				
Purchases of tangible assets	(3,295)		(2,909)	
Interest received	14,594		9,574	
Net cash from investing activities		11,299		6,665
Net increase in cash and cash equivalents		361,444		603,296
Cash and cash equivalents at the beginning of the year		3,009,947		2,406,651
Cash and cash equivalents at the end of the year		3,371,391		3,009,947
Components of cash and cash equivalents				
Cash		3,371,391		3,009,947

The notes on pages 10 to 20 form part of these financial statements.

Alder Investment Management Limited

Statement of changes in equity for the year ended 31 December 2016

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2015	320,000	319,900	953,184	1,593,084
Profit for the year	-	-	198,237	198,237
Other comprehensive income/(losses)	-	-	36,060	36,060
At 31 December 2015	320,000	319,900	1,187,481	1,827,381
Profit for the year	-	-	263,256	263,256
Other comprehensive income/(losses)	-	-	(78,900)	(78,900)
At 31 December 2016	320,000	319,900	1,371,837	2,011,737

The notes on pages 10 to 20 form part of these financial statements.

Alder Investment Management Limited

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

1 Company information

Alder Investment Management is a limited liability company incorporated in England. The Registered Office is 1 King's Arms Yard, London EC2R 7AF.

2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to fair value basis for certain financial instruments as specified in the accounting policies below.

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

3 Principal accounting policies

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight line basis at an annual rate of 25% so as to write off the cost of tangible assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. Computer software costs are expensed as incurred.

Fixed asset investments

Fixed asset investments are carried at cost transaction value. Provision is made for any impairment in value as appropriate. Interest income from investments is recognised on the accruals basis.

Alder Investment Management Limited
Notes forming part of the financial statements
for the year ended 31 December 2016 (Continued)

3 Principal accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Fees receivable in foreign currencies are recognised in the profit and loss account at the rates of exchange ruling at the date they were invoiced and foreign exchange differences are taken to the profit and loss account on the date the fees are received.

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Pension scheme

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice. The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

Alder Investment Management Limited
Notes forming part of the financial statements
for the year ended 31 December 2016 (Continued)

3 Principal accounting policies (continued)

Pension scheme (continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in or as other finance revenue or cost. Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Leases

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

4 Judgements and key sources of estimation uncertainty

In the opinion of the directors, there are no significant accounting judgements, estimates or assumptions about the carrying amount of assets and liabilities.

5 Turnover

Turnover represents the value of investment management and related services rendered in the ordinary course of business during the year, excluding value added tax, and is accounted for on the accruals basis.

	2016 £	2015 £
Turnover		
Rendering of services	2,970,063	2,901,513
 Turnover analysed by geographical market		
	2016 £	2015 £
UK	2,552,251	2,513,452
Rest of the World	417,812	388,061
	2,970,063	2,901,513

Alder Investment Management Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)

6 Staff costs

	2016 £	2015 £
Staff costs consist of:		
Wages and salaries	1,572,994	1,538,199
Social security costs	202,682	197,163
Pension scheme	261,942	255,684
Ill health and life insurance	24,514	23,592
Health insurance	20,209	12,704
	<u>2,082,341</u>	<u>2,027,342</u>

The average number of employees, including directors, during the year and the number at the end of the year was 22 (2015: 21).

7 Directors' and key management remuneration

	2016 £	2015 £
Aggregate remuneration and benefits	<u>646,534</u>	<u>628,318</u>

Directors' remuneration is stated in respect of 9 (2015: 8) directors. All of the directors are directors of the parent company, Alder Asset Management Limited. The emoluments disclosed are an apportionment of the directors' time devoted to the company. There are no key management who are not directors.

The highest paid director's emoluments totalled 395,407 (2015: £384,450). No pension contributions were made on his behalf in the year (2015: £nil). In addition, another director has accrued benefits under an unfunded defined benefit scheme to the value of £765,975 (2015: £545,325) (note 18).

8 Profit on ordinary activities before taxation

	2016 £	2015 £
Profit before tax is stated after charging:		
Depreciation	6,117	6,958
Hire of equipment	22,102	21,433
Rent on property (recharged from parent undertaking)	115,036	91,987
Auditor's remuneration for audit services	7,300	7,000
Auditor's remuneration for audit-related assurance services	2,500	2,500
Auditor's remuneration for taxation compliance services	2,100	2,500
	<u></u>	<u></u>

Alder Investment Management Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*Continued*)

9 Taxation

	2016 £	2015 £
(a) Analysis of the charge in the year		
<i>Current tax</i>		
UK corporation tax on result of the year	96,862	77,429
Adjustment in respect of previous periods	(255)	176
Total current tax	<u>96,607</u>	<u>77,605</u>
<i>Deferred tax</i>		
Unfunded pension scheme timing differences	(24,405)	(24,060)
Other timing differences	367	561
	<u>72,569</u>	<u>54,106</u>

(b) Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>335,825</u>	<u>252,343</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	67,165	51,099
Effects of:		
Expenses not deductible for tax purposes	29,792	26,628
Capital allowances for period (greater)/less than depreciation	(95)	(72)
Marginal relief	-	(226)
Current tax charge for year (note 9(a))	<u>96,862</u>	<u>77,429</u>
<i>Reconciliation to profit per the income statement:</i>		
Unfunded pension scheme timing differences	(24,405)	(24,060)
Other timing differences	367	561
Adjustments in respect of previous periods	(255)	176
Tax expense for the year	<u>72,569</u>	<u>54,106</u>

Alder Investment Management Limited

Notes forming part of the financial statements for the year ended 31 December 2016 *(Continued)*

10 Tangible fixed assets

	Fixtures, fittings and equipment £
<i>Cost</i>	
At 1 January 2016	99,100
Additions	3,295
Disposals	-
At 31 December 2016	102,395
<i>Depreciation</i>	
At 1 January 2016	89,478
Charge for the year	6,117
Eliminated in respect of disposals	-
At 31 December 2016	95,595
<i>Net book value</i>	
At 31 December 2016	6,800
At 31 December 2015	9,622

11 Investments held as fixed assets

	2016 £	2015 £
Investment in subsidiary at cost	1	1

Investment in subsidiary consists of an unlisted investment in Alder Nominees Limited, a company registered in England and Wales. The principal activity of Alder Nominees Limited, which was dormant at the balance sheet date, is the holding of clients' investments.

The aggregate amount of capital and reserves at the balance sheet date was £1. The company has not prepared consolidated financial statements as its subsidiary is immaterial.

Alder Investment Management Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)

12 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	207,909	3,836
Other debtors	9,893	8,969
Prepayments and accrued income	145,719	104,969
	<u>363,521</u>	<u>117,774</u>
Amounts falling due after more than one year:		
Deferred taxation (note 17)	3,899	4,266
	<u>367,420</u>	<u>122,040</u>

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	7,003	51,703
Amount owed to parent undertaking	750,259	601,100
Corporation tax	62,434	41,795
Other taxation and social security	173,357	140,851
Accruals	128,042	42,520
	<u>1,121,095</u>	<u>877,969</u>

14 Share capital

	Authorised		
	2016 Number	2015 Number	2016 £
Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
	Allotted, called up and fully paid		
	2016 Number	2015 Number	2016 £
Ordinary shares of £1 each	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>

Alder Investment Management Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)

15 Reserves

Profit and loss account	£
At 1 January 2016	1,187,481
Retained profit for the year on ordinary activities after taxation	263,256
Unfunded defined benefit pension actuarial loss	(78,900)
At 31 December 2016	1,371,837
Share premium account	
At 1 January 2016 and at 31 December 2016	319,900

The following describes the nature and purpose of each reserve within shareholders' funds:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Profit and loss account	Cumulative net gains and losses recognised in the profit and loss account.

16 Commitments under operating leases

As at 31 December 2016, the company had total commitments under non-cancellable operating leases as set out below:

	Land & Buildings 2016 £	Other 2016 £	Land & Buildings 2015 £	Other 2015 £
Operating leases which expire:				
Within one year	239,532	24,116	-	10,168
Within two to five years	657,956	16,076	-	-
After five years	-	-	-	-

Alder Investment Management Limited
Notes forming part of the financial statements
for the year ended 31 December 2016 (Continued)

17 Deferred taxation

	2016 £	2015 £
Deferred tax arose as follows:		
Timing differences	3,899	4,266
	£	£
At 1 January	4,266	4,827
Deferred tax credit in profit and loss account	(367)	(561)
At 31 December	3,899	4,266

18 Pension scheme

The total pension cost charged in the 2016 financial statements was £261,942 (2015: £255,684). There were no outstanding contributions at the balance sheet date (2015: nil). Prepaid pension contributions totalling £13,249 at the balance sheet date (2015: £Nil) are included in debtors.

(a) Western United Group Pension Scheme/Western Pension Trust

Alder Investment Management Limited ("the Company") and its parent company participated during the year in the Western United Group Pension Scheme ("the Scheme") until the Scheme completed winding up in July 2016. The Scheme was made up of a closed defined benefit ("DB") section, which provided benefits based on length of pensionable service and pensionable salary at retirement or earlier deferment, and a defined contribution ("DC") section, which provided benefits based on the amounts contributed in respect of each member and the returns achieved on their invested assets to retirement.

When the Scheme wound up, all the Scheme's DB liabilities and corresponding assets were transferred to an insurance company. The completion of the wind up means that the Company no longer has defined benefit obligations relating to the Scheme.

As part of the wind up, the DC section of the Scheme was transferred to a new DC arrangement, the Western Pension Trust. During 2016 the group contributed to the DC section of the Scheme until its wind up and subsequently contributed to the Western Pension Trust to cover future accrual for its employees. DC contributions during 2016 totalled £121,468 including £13,249 of prepaid contributions.

(b) Unfunded Executive Pension Arrangement

The Company provides retirement benefits based on final salary for one director via a defined benefit pension arrangement. The arrangement is unfunded, and so there are no assets backing the liability.

The valuation used for FRS102 disclosures was undertaken by a qualified actuary and has been based on a full assessment of the liabilities of the arrangement as at 31 December 2016. The present values of the defined benefit obligation and the service cost were measured using the projected unit credit method.

Alder Investment Management Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (Continued)

18 Pension scheme (continued)

Reconciliation of funded status to balance sheet	2016	2015
	£	£
Fair value of scheme assets	-	-
Present value of scheme obligations	(765,975)	(545,325)
Pension liability		
Deficit in scheme	(765,975)	(545,325)
Deferred taxation		
Related deferred tax asset	153,195	109,065
Analysis of profit and loss account charge	2016	2015
	£	£
Current service cost	99,750	102,825
Interest cost	22,275	17,475
Scheme expense recognised in profit and loss	122,025	120,300
Related deferred tax asset	(24,405)	(24,060)
Net profit and loss charge	97,620	96,240
Analysis of amount recognised in other comprehensive income	2016	2015
	£	£
Total actuarial (losses)/gains	(98,625)	45,075
Related deferred tax asset	19,725	(9,015)
Net (losses)/gains recognised in other comprehensive income	(78,900)	36,060
Changes to the present value of the defined benefit obligation during the year	2016	2015
	£	£
Opening defined benefit obligation	545,325	470,100
Current service cost	99,750	102,825
Interest cost	22,275	17,475
Actuarial gains/(losses) on scheme liabilities	98,625	(45,075)
Closing defined benefit obligation	765,975	545,325

Alder Investment Management Limited
Notes forming part of the financial statements
for the year ended 31 December 2016 (Continued)

18 Pension scheme (continued)

Key Assumptions	2016 %	2015 %
RPI inflation	3.25	3.10
CPI inflation	2.15	2.00
Rate of general long-term increase in salaries		
- Pre 1 August 2011 service	4.75	4.60
- Post 31 July 2011 service	3.25	3.10
Rate of pension increase to pensions in payment:		
- RPI capped at 5% pa	3.20	3.05
- RPI capped at 2.5% pa	2.20	2.20
Discount rate for scheme liabilities	2.70	3.75

Significant demographic assumptions

The mortality assumption uses 75% of mortality rates included in the standard tables known as "S2NXA". Allowance for future improvements is made in line with the CMI2015 projections with a long term improvement rate of 1.5% pa.

Under this assumption, a 60 year old man is assumed to live for another 29.8 years and a 60 year old woman for 32.0 years.

19 Related party disclosure

100% of the company's turnover arises from services provided to members of the Vestey Family (six of whom were directors of the company during 2016), their spouses, companies owned by family trusts and pension funds set up to provide benefits for current and previous employees of companies controlled or formerly controlled by members of the Vestey Family. Additionally, all of the directors except the Chairman are trustees of a number of the Vestey family settlements. All fees charged are at arm's length on commercial terms.

	2016 £	2015 £
Fees received from related parties	737,565	831,469

Of these amounts £967 was outstanding at 31 December 2016 (2015: £nil).

There were no loans made by directors to the company during the year and there were no amounts outstanding at 31 December 2016 (2015: £nil). There were no loans made to directors by the company (2015: £nil).

20 Immediate and ultimate controlling party

The company's immediate parent and ultimate controlling party is Alder Asset Management Limited, which is registered in England and Wales. The accounts of the parent company are available at 1 King's Arms Yard, London, EC2R 7AF.