

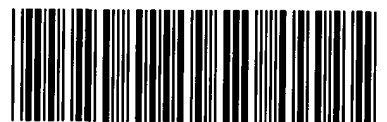
Alder Asset Management Limited

Report and Financial Statements

31 December 2015

Company Number 01312833

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Alder Asset Management Limited

Report and financial statements for the year ended 31 December 2015

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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
George M W Vestey

Secretary and registered office

R T A Postlethwaite
1 King's Arms Yard, London, EC2R 7AF

Company number

01312833

Auditors

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

Alder Asset Management Limited

Report of the directors for the year ended 31 December 2015

The directors present their report together with the audited consolidated financial statements of Alder Asset Management Limited (the "Company") and its subsidiary undertaking (together, the "Group") for the year ended 31 December 2015.

Results and dividends

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

The directors recommend the payment of a dividend of 5.5p per share (2014: 5.5p) for both share classes.

Median repurchase price of ordinary shares

The median repurchase price calculated at 31 October 2015, under the terms set out in the private offer document dated 5 March 1992, for the ordinary shares in issue was 189.832p per share (2014: 188.515p).

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 +
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 group and company 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 group and company and of the profit or loss of the group and 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.

Alder Asset Management Limited

Strategic report for the year ended 31 December 2015

The directors present the strategic report of Alder Asset Management Limited group for the year ended 31 December 2015.

The principal activities of the group are the servicing of clients' investments and trust management accounting services.

Review of the business and principal activities

The group's profit on ordinary activities after taxation for the year ended 31 December 2015 amounted to £237,652 (2014: £173,795). The group'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 does not actively seek new clients from outside the family. It aims to provide a consistently high level of service at a very competitive cost compared with alternative providers. During 2015 there was no significant change in the number of clients of the company or its subsidiary but turnover increased by 8.86% following the decision by the board to increase fees broadly in line with the anticipated escalation of costs together with increased revenue from portfolios where fees are linked to funds under management. The company and group expect to continue to trade successfully in 2016 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.

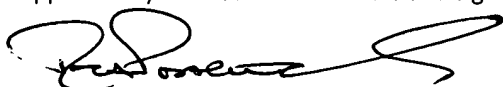
Principal risks and uncertainties

Alder maintains close links with the family, many of whom hold ordinary shares in the company. Individual clients may hold either no shares whatsoever or 5,000 shares. 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 group and company are 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 (58% in 2015) provide a more certain source of income since they are not subject to investment market movements. Where fees are a function of market values (42% in 2015), 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 group 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 Postlethwaite
Secretary

5 April 2016

Alder Asset Management Limited

Independent auditor's report

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

We have audited the financial statements of Alder Asset Management Limited for the year ended 31 December 2015 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated and company 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).

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 so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the 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 Financial Reporting Council's (FRC'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 group's and the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Alder Asset Management Limited

Report of the directors for the year ended 31 December 2015 (*Continued*)

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.

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
Secretary

5 April 2016

Alder Asset Management Limited

Consolidated statement of comprehensive income for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	5	3,755,570	3,449,764
Operating costs			
Staff costs	6	(2,614,238)	(2,519,365)
Other operating costs		(912,812)	(772,441)
Other operating income		67,663	68,000
Operating profit		296,183	225,958
Other interest receivable		11,142	11,820
Profit on ordinary activities before taxation	8	307,325	237,778
Tax on profit on ordinary activities	9	(69,673)	(63,983)
Profit for the financial year	15	237,652	173,795
Other comprehensive income/(loss)			
Actuarial gain/(loss) on unfunded defined benefit pension scheme		60,100	(125,400)
Taxation in respect of gain/(loss) on unfunded pension scheme		(12,020)	25,080
Total comprehensive income for the financial year		285,732	73,475

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

The company has taken advantage of section 408 of the Companies Act 2006 and has not presented its own profit and loss account. The profit dealt with in the financial statements of the company was £39,415 (2014: £57,399).

The notes on pages 12 to 26 form part of these financial statements.

Alder Asset Management Limited

Independent auditor's report (*Continued*)

Matters on which we are required to report by exception

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

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

Kingston Smith LLP

Rebecca Shields (senior statutory auditor)

For and on behalf of Kingston Smith LLP, statutory auditor

Devonshire House

60 Goswell Road

London EC1M 7AD

5 April 2016

Alder Asset Management Limited

Company statement of financial position at 31 December 2015

Company number 01312833	Note	2015	2015	2014	2014
		£	£	£	£
Fixed assets					
Tangible assets	10		4,645		52,378
Investments held as fixed assets	11		640,159		640,159
			<hr/>		<hr/>
			644,804		692,537
Current assets					
Debtors	12	701,671		443,484	
Cash at bank and in hand		696,830		764,003	
		<hr/>		<hr/>	
		1,398,501		1,207,487	
Creditors: amounts falling due within one year	13	(201,895)		(155,054)	
		<hr/>		<hr/>	
Net current assets			1,196,606		1,052,433
			<hr/>		<hr/>
Net assets excluding pension liability and provisions			1,841,410		1,744,970
			<hr/>		<hr/>
Pension liability	18	(145,420)		(125,360)	
Provisions	19	(72,520)		-	
		<hr/>		<hr/>	
Net assets including pension liability and provisions			1,623,470		1,619,610
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	14	865,000		865,000	
Share premium account	15	153,580		153,580	
Share capital redemption reserve	15	10,000		10,000	
Profit and loss account	15	594,890		591,030	
		<hr/>		<hr/>	
Shareholders' funds			1,623,470		1,619,610
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 5 April 2016.
Signed on behalf of the Board of Directors:



R T A Postlethwaite
Director

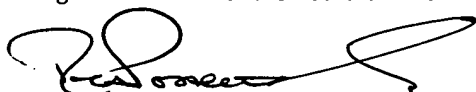
The notes on pages 12 to 26 form part of these financial statements.

Alder Asset Management Limited

Consolidated statement of financial position at 31 December 2015

Company number 01312833	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	10		14,267		66,049
Investments held as fixed assets	11		19		19
			14,286		66,068
Current assets					
Debtors	12	222,611		195,898	
Cash at bank and in hand		3,706,777		3,170,654	
		3,929,388		3,366,552	
Creditors: amounts falling due within one year	13	(478,764)		(358,627)	
Net current assets			3,450,624		3,007,925
Net assets excluding pension liability and provisions			3,464,910		3,073,993
Pension liability	18		(581,680)		(501,440)
Provisions	19		(72,520)		-
Net assets including pension liability and provisions			2,810,710		2,572,553
Capital and reserves					
Called up share capital	14		865,000		865,000
Share premium account	15		153,580		153,580
Share capital redemption reserve	15		10,000		10,000
Profit and loss account	15		1,782,130		1,543,973
Shareholders' funds			2,810,710		2,572,553

The financial statements were approved by the Board of Directors and authorised for issue on 5 April 2016.
Signed on behalf of the Board of Directors:



R T A Postlethwaite
Director

The notes on pages 12 to 26 form part of these financial statements.

Alder Asset Management Limited

Consolidated statement of changes in equity for the year ended 31 December 2015

	Called-up share capital	Share premium account	Share capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2014	865,000	153,580	10,000	1,518,073	2,546,653
Profit for the year	-	-	-	173,795	173,795
Other comprehensive income/(losses)	-	-	-	(100,320)	(100,320)
Dividend paid	-	-	-	(47,575)	(47,575)
At 31 December 2014	865,000	153,580	10,000	1,543,973	2,572,553
Profit for the year	-	-	-	237,652	237,652
Other comprehensive income/(losses)	-	-	-	48,080	48,080
Dividend paid	-	-	-	(47,575)	(47,575)
At 31 December 2015	865,000	153,580	10,000	1,782,130	2,810,710

The notes on pages 12 to 26 form part of these financial statements.

Alder Asset Management Limited

Consolidated statement of cash flows for the year ended 31 December 2015

	2015 £	2015 £	2014 £	2014 £
Cash flows from operating activities				
Profit for the financial year		237,652		173,795
Adjustments for:				
Depreciation of tangible assets	57,247		82,876	
Pension scheme expense recognised in profit and loss	160,400		126,500	
Interest received	(11,142)		(11,820)	
Taxation	69,673		63,983	
(Increase)/decrease in debtors	(24,532)		(11,920)	
Increase/(decrease) in creditors and provisions	199,722		(172,417)	
		451,368		77,202
Cash from operations		689,020		250,997
Income taxes paid		(110,999)		(59,973)
Net cash generated from operating activities		578,021		191,024
Cash flows from investing activities				
Purchases of tangible assets	(5,465)		(12,699)	
Interest received	11,142		11,820	
Net cash from investing activities		5,677		(879)
Cash flows from financing activities				
Dividend paid	(47,575)		(47,575)	
Net cash from financing activities		(47,575)		(47,575)
Net increase in cash and cash equivalents		536,123		142,570
Cash and cash equivalents at the beginning of the year		3,170,654		3,028,084
Cash and cash equivalents at the end of the year		3,706,777		3,170,654
Components of cash and cash equivalents				
Cash		3,706,777		3,170,654

The notes on pages 12 to 26 form part of these financial statements.

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015

1 Company information

Alder Asset 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.

This is the first year in which the financial statements have been prepared under FRS 102. The transition to this standard has not necessitated the restatement of any previously reported amounts. The date of transition to FRS 102 was 1 January 2014.

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.

The consolidated financial statements incorporate the results of Alder Asset Management Limited and its subsidiary undertakings as at 31 December 2015 using the acquisition method of accounting. Results of the subsidiary undertakings are included from the date of acquisition. The results of Alder Nominees Limited are not included in the consolidated financial statements as it was dormant during the period and the results are considered to be immaterial to the group.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the members.

The company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows

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

Alder Asset Management Limited

Company statement of changes in equity for the year ended 31 December 2015

	Called-up share capital	Share premium account	Share capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2014	865,000	153,580	10,000	606,286	1,634,866
Profit for the year	-	-	-	57,399	57,399
Other comprehensive income/(losses)	-	-	-	(25,080)	(25,080)
Dividend paid	-	-	-	(47,575)	(47,575)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	865,000	153,580	10,000	591,030	1,619,610
Profit for the year	-	-	-	39,415	39,415
Other comprehensive income/(losses)	-	-	-	12,020	12,020
Dividend paid	-	-	-	(47,575)	(47,575)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	865,000	153,580	10,000	594,890	1,623,470
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 12 to 26 form part of these financial statements.

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 *(Continued)*

3 Principal accounting policies *(Continued)*

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.

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.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, where it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions for dilapidations are recognised on a lease by lease basis and are based on the group's best estimate of the likely committed cash outflow.

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.

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*Continued*)

Tangible assets

Depreciation on leasehold improvements is charged over the life of the lease. All other 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.

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.

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

7 Directors' and key management remuneration

	2015 £	2014 £
Aggregate remuneration and benefits	721,855	692,519

Directors' remuneration is stated in respect of 8 (2014: 8) directors. All of the directors are directors of the subsidiary company, Alder Investment Management Limited. There are no key management who are not directors.

The highest paid director's remuneration totalled £384,450 (2014: £362,839) and his accrued pension entitlement under the defined benefit scheme at the end of the year was £54,904 (2014: £54,170). Contributions to the scheme on his behalf in 2015 totalled £nil (2014: £nil). He has received payments into a personal pension of £nil (2014: £12,498). In addition, another director has accrued benefits under an unfunded defined benefit scheme to the value of £727,100 (2014: £626,800).

8 Profit on ordinary activities before taxation

	2015 £	2014 £
Profit before tax is stated after charging:		
Depreciation	57,247	82,876
Hire of equipment	21,433	17,980
Rent on property	183,976	143,578
Auditor's remuneration for audit - group	14,000	16,750
- company	7,000	8,375
Auditor's remuneration for audit-related assurance services	2,500	2,750
Auditor's remuneration for taxation compliance services	5,000	6,000

9 Taxation

	2015 £	2014 £
(a) Analysis of the charge in the year		
<i>Current tax</i>		
UK corporation tax on result of the year	103,411	93,642
Adjustments in respect of previous periods	523	-
Total current tax	103,934	93,642
<i>Deferred tax</i>		
Unfunded pension scheme timing differences	(32,080)	(25,300)
Other timing differences	(2,181)	(4,359)
	69,673	63,983

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*Continued*)

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.

	2015 £	2014 £
Turnover		
Rendering of services	3,755,570	3,449,764
	<u> </u>	<u> </u>
 Turnover analysed by geographical market		
	2015 £	2014 £
UK	3,354,742	2,966,925
Rest of the World	400,828	482,839
	<u> </u>	<u> </u>
	3,755,570	3,449,764
	<u> </u>	<u> </u>

6 Staff costs

	2015 £	2014 £
Staff costs consist of:		
Wages and salaries	1,987,382	1,937,390
Social security costs	250,864	244,260
Pension scheme	346,312	316,694
Ill health and life insurance	29,680	21,021
	<u> </u>	<u> </u>
	2,614,238	2,519,365
	<u> </u>	<u> </u>

The average number of employees, including directors, during the year and the number at the end of the year was 27 (2014: 27).

Alder Asset Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (Continued)

10 Tangible fixed assets

	Fixtures and fittings Group £	Fixtures and fittings Company £
<i>Cost</i>		
At 1 January 2015	465,754	369,563
Additions	5,465	2,556
Disposals	(1,966)	(1,966)
	<hr/>	<hr/>
At 31 December 2015	469,253	370,153
	<hr/>	<hr/>
<i>Accumulated depreciation</i>		
At 1 January 2015	399,705	317,185
Charge for the year	57,247	50,289
Eliminated in respect of disposals	(1,966)	(1,966)
	<hr/>	<hr/>
At 31 December 2015	454,986	365,508
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2015	14,267	4,645
	<hr/>	<hr/>
At 31 December 2014	66,049	52,378
	<hr/>	<hr/>

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*Continued*)

(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:

	2015 £	2014 £
Profit on ordinary activities before tax	307,325	237,778
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	62,233	51,122
Effects of:		
Expenses not deductible for tax purposes	33,879	29,912
Capital allowances for period less than depreciation	7,299	12,608
Current tax charge for year (note 9(a))	103,411	93,642
<i>Reconciliation to profit per the income statement:</i>		
Unfunded pension scheme timing differences	(32,080)	(25,300)
Other timing differences	(2,181)	(4,359)
Adjustments in respect of previous periods	523	-
Tax expense for the year	69,673	63,983

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

13 Creditors: amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade creditors	68,573	17,276	16,870	981
Corporation tax	53,487	60,552	11,692	18,253
Other taxation and social security	231,321	197,397	90,469	90,068
Accruals	125,383	83,402	82,864	45,752
	<u>478,764</u>	<u>358,627</u>	<u>201,895</u>	<u>155,054</u>

14 Share capital

	Authorised			
	2015 Number	2014 Number	2015 £	2014 £
Ordinary shares of £1 each	500,000	500,000	500,000	500,000
'B' shares of £1 each	500,000	500,000	500,000	500,000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
	Allotted, called up and fully paid			
	2015 Number	2014 Number	2015 £	2014 £
Ordinary shares of £1 each	415,000	415,000	415,000	415,000
'B' shares of £1 each	450,000	450,000	450,000	450,000
	<u>865,000</u>	<u>865,000</u>	<u>865,000</u>	<u>865,000</u>

The ordinary shares and the 'B' shares rank pari passu as to dividends and distribution of assets on liquidation but, on a poll, whereas ordinary shareholders have one vote per share the maximum aggregate number of votes attaching to the 'B' shares is 5,000.

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

11 Investments held as fixed assets

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Investment in subsidiary at cost	-	-	640,141	640,141
Other investments:				
Investment in Alder Nominees Ltd	1	1	-	-
Investment in Thewealthworks Ltd at cost	18	18	18	18
	<hr/>	<hr/>	<hr/>	<hr/>
Total investments	19	19	640,159	640,159
	<hr/>	<hr/>	<hr/>	<hr/>

Alder Asset Management Limited owns 100% of the issued share capital of Alder Investment Management Limited, a company incorporated in England and Wales. The principal activity of the company is the management of clients' investments. The subsidiaries' results have been included in the consolidated profit and loss account on page 6.

Alder Nominees Limited is a non-trading company formed to hold client investments for, and wholly owned by, Alder Investment Management Limited.

Alder Asset Management Limited owns 1.6% of the issued share capital of Thewealthworks Limited, a company incorporated in England and Wales. The principal activity of Thewealthworks Limited is the management of a trust accounting development software.

12 Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Amounts falling due within one year:				
Trade debtors	42,738	53,682	38,902	37,150
Amounts owed by subsidiary undertaking	-	-	601,100	358,738
Other debtors	10,760	14,996	1,791	2,222
Prepayments and accrued income	148,680	108,968	43,711	31,949
	<hr/>	<hr/>	<hr/>	<hr/>
	202,178	177,646	685,504	430,059
Amounts falling due after more than one year:				
Deferred taxation (note 17)	20,433	18,252	16,167	13,425
	<hr/>	<hr/>	<hr/>	<hr/>
	222,611	195,898	701,671	443,484
	<hr/>	<hr/>	<hr/>	<hr/>

Alder Asset Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (Continued)

16 Commitments under operating leases

As at 31 December 2015 the group had total commitments under non-cancellable operating leases as set out below:

	Rent 2015 £	Other 2015 £	Rent 2014 £	Other 2014 £
Operating leases which expire:				
Within one year	-	10,168	-	19,600
Within two to five years	1,367,710	-	-	-
After five years	-	-	136,347	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Deferred taxation

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Deferred tax arose as follows:				
Timing differences	<u>20,433</u>	<u>18,252</u>	<u>16,167</u>	<u>13,425</u>
At 1 January 2015	18,252		13,425	
Deferred tax credit in profit and loss account	<u>2,181</u>		<u>2,742</u>	
At 31 December 2015	<u>20,433</u>		<u>16,167</u>	

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

15 Reserves

	Group £	Company £
Profit and loss account		
At 1 January 2015	1,543,973	591,030
Profit for the financial year on ordinary activities after taxation	237,652	39,415
Unfunded defined benefit pension actuarial gains	48,080	12,020
Dividend paid (5.5 p per share)	(47,575)	(47,575)
	<hr/>	<hr/>
At 31 December 2015	1,782,130	594,890
	<hr/>	<hr/>
Share premium account		
At 1 January 2015 and 31 December 2015	153,580	153,580
	<hr/>	<hr/>
Share capital redemption reserve		
At 1 January 2015 and 31 December 2015	10,000	10,000
	<hr/>	<hr/>

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.
Share capital redemption reserve	Amount transferred from capital on redemption of issued shares.
Profit and loss account	Cumulative net gains and losses recognised in the profit and loss account.

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (Continued)

Reconciliation of funded status to balance sheet	Group 2015	Group 2014	Company 2015	Company 2014
	£	£	£	£
Fair value of scheme assets	-	-	-	-
Present value of scheme obligations	(727,100)	(626,800)	(181,775)	(156,700)
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in scheme	(727,100)	(626,800)	(181,775)	(156,700)
Related deferred tax asset	145,420	125,360	36,355	31,340
	<hr/>	<hr/>	<hr/>	<hr/>
Net pension liability	(581,680)	(501,440)	(145,420)	(125,360)
	<hr/>	<hr/>	<hr/>	<hr/>
Analysis of profit and loss account charge	Group 2015	Group 2014	Company 2015	Company 2014
	£	£	£	£
Current service cost	137,100	107,700	34,275	26,925
Interest cost	23,300	18,800	5,825	4,700
	<hr/>	<hr/>	<hr/>	<hr/>
Scheme expense recognised in profit and loss	160,400	126,500	40,100	31,625
Related deferred tax asset	(32,080)	(25,300)	(8,020)	(6,325)
	<hr/>	<hr/>	<hr/>	<hr/>
Net profit and loss charge	128,320	101,200	32,080	25,300
	<hr/>	<hr/>	<hr/>	<hr/>
Analysis of amounts recognised in other comprehensive income	Group 2015	Group 2014	Company 2015	Company 2014
	£	£	£	£
Total actuarial gains/(losses)	60,100	(125,400)	15,025	(31,350)
Related deferred tax asset	(12,020)	25,080	(3,005)	6,270
	<hr/>	<hr/>	<hr/>	<hr/>
Net gains/(losses) recognised in other comprehensive income	48,080	(100,320)	12,020	(25,080)
	<hr/>	<hr/>	<hr/>	<hr/>
Changes to the present value of the defined benefit obligation during the year	Group 2015	Group 2014	Company 2015	Company 2014
	£	£	£	£
Opening defined benefit obligation	626,800	374,900	156,700	93,725
Current service cost	137,100	107,700	34,275	26,925
Interest cost	23,300	18,800	5,825	4,700
Actuarial gains/(losses) on scheme liabilities	(60,100)	125,400	(15,025)	31,350
	<hr/>	<hr/>	<hr/>	<hr/>
Closing defined benefit obligation	727,100	626,800	181,775	156,700
	<hr/>	<hr/>	<hr/>	<hr/>

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*Continued*)

18 Pension scheme

The total pension cost for the group charged in the 2015 financial statements was £346,312 (2014: £316,694). There were no outstanding contributions at the balance sheet date (2014: nil).

(a) Western United Group Pension Scheme

Alder Asset Management Limited ("the Company") and its subsidiary company participated throughout the year in the Western United Group Pension Scheme ("the Scheme"). The Scheme is made up of a closed defined benefit ("DB") section, which provides benefits based on length of pensionable service and pensionable salary at retirement or earlier deferment, and an open defined contribution ("DC") section, which provides benefits based on the amounts contributed in respect of each member and the returns achieved on their invested assets to retirement.

DB Section

As the DB section closed to future accrual on 13 September 2013 and the Scheme is currently in surplus, no contributions were paid by the company in respect of the DB section in 2015. However, as contributions in respect of the DB section may be required in future should a deficit in the Scheme arise and the company is not able to identify its own share of the underlying assets and liabilities of the Scheme on a consistent and reliable basis, in line with Financial Reporting Standard 102 ("FRS 102"), the DB section is accounted for as if it were a defined contribution scheme. Any future contributions payable to the Scheme in respect of the DB section will therefore be charged directly to the profit and loss account as they arise. A summary of the key disclosures for the DB section are outlined below.

Actuarial valuations of the Scheme are carried out at least every three years, with the latest valuation as at 31 December 2012; this was performed using the projected unit method. The calculations for this valuation have been updated to 31 December 2015 by an independent actuary in accordance with IAS 19 for disclosing in the Western United Investment Company Limited's accounts. The major assumptions used by the actuary for the calculations were a discount rate of 3.70% pa, increases to pensions in payment (where provided) of 3.05% pa or 2.20% pa and price inflation of 3.10% pa corresponding to RPI and 2.00% pa corresponding to CPI. The updated valuation at 31 December 2015 measured the value of the liabilities as £454.7m which, compared with assets of £459.5m at market value, gave a surplus of £4.8m. This surplus is regarded as recoverable, and so recognised in the Western United Investment Company Limited accounts. Further details of these calculations are included in that company's accounts.

DC Section

The group contributed throughout 2015 to the DC section to cover future accrual for their employees. The contributions during 2015 totalled £155,368.

(b) Unfunded Executive Pension Arrangement

The unfunded executive pension arrangement is an unfunded scheme of the defined benefit type, providing retirement benefits based on final salary. Accordingly no assets are held in respect of these benefits.

The valuation used for FRS 102 disclosures has been based on a full assessment of the liabilities of the scheme as at 31 December 2015. The present values of the defined benefit obligation, the related current service cost and any past service costs were measured using the projected unit credit method. The principal assumptions used by the independent qualified actuaries to calculate the liabilities under FRS 102 are set out at the end of this note.

Alder Asset Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2015 (Continued)

20 Related party disclosure

100% of the company's turnover arises from services provided to members of the Vestey Family (five of whom were directors of the company during 2015), 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.

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Fees received from related parties	1,498,209	1,407,107	666,739	654,640

Of these amounts £385 (company: £385) was outstanding at 31 December 2015 (2014: £nil).

There were no loans made by directors to the group and company during the year and there were no amounts outstanding at 31 December 2015 (2014: £nil). There were no loans made to directors by the group (2014: £5,754 fully repaid in the year).

21 Immediate and ultimate controlling party

In the opinion of the directors, there is no single ultimate controlling party of the group.

Alder Asset Management Limited

Notes forming part of the financial statements for the year ended 31 December 2015 (*Continued*)

18 Pension scheme (continued)

	2015	2014
Key Assumptions		
	%	%
RPI inflation	3.10	3.05
CPI inflation	2.00	1.95
Rate of general long-term increase in salaries		
- Pre 31 July 2011 service	4.60	4.55
- Post 31 July 2011 service	3.10	3.05
Rate of pension increase to pensions in payment:		
- RPI capped at 5% pa	3.05	2.95
- RPI capped at 2.5% pa	2.20	2.05
Discount rate for scheme liabilities	3.75	3.35

Significant demographic assumptions

The mortality assumption uses 75% of mortality rates included in the standard tables known as "S1NXA". Allowance for future longevity improvements is made in line with the CMI 2012 projections with a long term improvement rate of 1.75% for males and 1.50% for females.

Under the current assumption a person aged 60 is assumed to live for a further 30.9 years (male) and 33.1 years (female) and a person reaching age 60 in 2035 is assumed to live for a further 33.8 years (male) and 35.5 years (female).

19 Provisions

	Dilapidations provision Group £	Company £
As at 1 January 2015	-	-
Charge in period	72,520	72,520
As at 31 December 2015	72,520	72,520

The dilapidations provision is based on the future expected repair costs required to restore the Group's leased buildings to their fair condition at the end of the lease term.

The 1 King's Arms Yard lease expires in 2020. Contractual amounts are due to be incurred at the end of the lease term.