

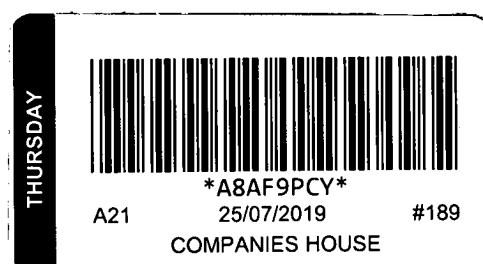


Alliance Fund Managers Limited

Registered No. 03099944

Annual report and financial statements

for the year ended 31 March 2019



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Registered No. 03099944
31 March 2019

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Company information

Directors

Ms E O'Donnell
Mr J O'Brien
Mr N Ashbridge
Ms G A Sloan

Secretary

Mrs L Greenhalgh (resigned 17 May 2019)
Ms G A Sloan (appointed 5 June 2019)

Independent Auditor

KPMG LLP
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

Banker

Natwest Bank
2-8 Church Street
Liverpool
L1 3BG

Registered Office

2nd Floor
Exchange Court
1 Dale Street
Liverpool
L2 2PP

Financial Conduct Authority

The company is regulated by the FCA in the course of investment business, registration number 180891.

Directors' report

The directors present their report and audited financial statements for the year ended 31 March 2019.

Based on its size, the company has met the requirements in the Companies Act 2006 to claim exemption from preparing a strategic report.

Principal activities

The principal activity of Alliance Fund Managers Limited (the Company) is to provide management and investment advice to loan and equity funds, which are invested on behalf of the fund providers in the Liverpool City Region and surrounding areas, primarily for wealth and job creation.

The principal activity of the parent company Merseyside Special Investment Fund Limited ("MSIF") is to facilitate the investment of venture and loan capital investment funds in small and medium sized enterprises (SMEs) and provide support and monitoring of those investments, thereby assisting to regenerate business in the Merseyside area.

Business review and Principal Risks

The legacy funds generated from MSIF's investments in Seed, Equity and Loan funds continue to be invested in small and medium businesses predominantly in the county of Merseyside.

The North West Transitional Loan Fund and the Merseyside Small Loans for Business Fund are being managed on behalf of MSIF. Both were fully invested and legacy returns continue to be invested on an ongoing basis.

In October 2013 Regional Growth Fund monies were awarded and invested in companies in the Liverpool City Region and the surrounding areas. These were fully invested by June 2016 and permission has been obtained to invest the legacy proceeds.

In February 2017 MSIF entered into a partnership to deliver the NPIF Micro Loan Fund, and has been subcontracted to deliver the NPIF Equity Fund on behalf of The British Business Bank. Within those arrangements the Company is targeted with providing loans and equity investments within the Liverpool City Region and the surrounding areas.

During the year the Company continued to manage the High Growth Business Investment Programme on behalf of the Regional Growth Fund.

The underlying performance of the contracts that are being managed is in line with the current expectations.

The profit for the financial year ended 31 March 2019 was £72,742 (2018: loss £208,433).

Dividends

No dividends have been recommended to be paid during the year (2018: £Nil).

Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In forming this expectation, the directors have considered the financial position and performance of the company during the year. Thus it continues to adopt the going concern basis in preparing the annual financial statements.

Future developments

Alliance Fund Managers Limited is continuing to manage the investment of legacy funds for MSIF Ltd comprising loan, mezzanine and equity investments, the sub £50,000 Small Loans for Business fund as well as continuing to manage the existing portfolio to an exit position. The company has had a successful year managing the Northern Powerhouse Investment Fund's Equity Fund and Micro Loan Fund for the Liverpool City Region working with Maven Capital Partners LLP and Business Finance Solutions Ltd respectively. The Company will continue to look for funds to invest/manage on behalf of third parties.

Risks and Uncertainties

Alliance Fund Managers Limited continues to manage its cost base in line with the income that it is receiving and does not envisage any risk that the current funds' investment performance is not as planned and the management fee could not be drawn. Further discussion on these risks and uncertainties in the context of the Group as a whole is provided in the Merseyside Special Investment Fund Limited Annual Report, which does not form part of this report.

Directors' report (continued)

Brexit considerations

The Directors have considered the implications of the possible impact of the UK's exit from the European Union ("Brexit") on the business. While there are many uncertainties surrounding Brexit, the Directors have felt it prudent to request the executive team to commence a sensitivity analysis covering a number of financial market scenarios and that has now commenced. Further, where we have observer status on the Board of investee companies, we are satisfied that those Boards have considered the impact of Brexit on their businesses, as part of their general economic discussions, and where necessary are making appropriate arrangements to mitigate the risks.

Key Performance Indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. For KPIs that are used to monitor the funds' performance please refer to the Merseyside Special Investment Fund Limited Group financial statements.

Directors

The directors who held office during the year, and to the date of this report, were as follows:

Mr R Swainson	- resigned 17 July 2018
Ms L Greenhalgh	- resigned 17 May 2019
Ms E O'Donnell	
Mr J O'Brien	- appointed 17 July 2018
Mr N Ashbridge	- appointed 29 April 2019
Ms G Sloan	- appointed 29 April 2019

No director of the Company has any interest in the Company or the group within the meaning of the Companies Act 2006. The ultimate parent company, Merseyside Special Investment Fund Limited is limited by guarantee.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Employees

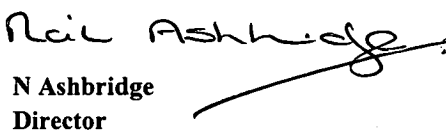
The contribution and cooperation of every employee are essential, highly valued and hereby acknowledged.

Political contributions

The Company made no political donations and incurred no political expenditure during the year.

Auditor

KPMG LLP are deemed to be reappointed as auditors under section 487 of the Companies Act 2006.


N Ashbridge
Director

2nd Floor Exchange Court
1 Dale Street
Liverpool
L2 2PP
22 July 2019

Statement of directors' responsibilities in respect of the director's report and the financial statements

The directors are responsible for preparing the Director's 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Alliance Fund Managers Limited

Opinion

We have audited the financial statements of Alliance Fund Managers Limited ("the company") for the year ended 31 March 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



**Independent auditor's report to the members of Alliance Fund Managers Limited
(continued)**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

**Carla Kennaugh (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

8 Princes Parade

Liverpool

L3 1QH

23 July 2019

**Profit and Loss Account and Other Comprehensive Income
for the year ended 31 March 2019**

	Notes	2019 £	2018 £
Turnover	2	1,339,286	981,025
Operating costs			
Staff costs	4	(952,141)	(889,077)
Other operating charges		<u>(331,512)</u>	<u>(304,180)</u>
Operating profit/(loss)	3	55,633	(212,232)
Other interest receivable and similar income	6	<u>17,109</u>	<u>15,134</u>
Profit/(loss) before taxation		72,742	(197,098)
Tax on profit/(loss)	7	<u>-</u>	<u>(11,335)</u>
Profit/(loss) for the financial year		<u>72,742</u>	<u>(208,433)</u>

The results shown above derive from continuing operations in both the current and preceding year.

The Company has no other recognised income other than those included in the results above and therefore no separate Other Comprehensive Income statement has been presented.

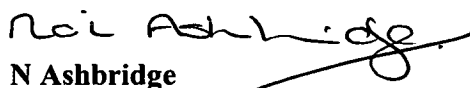
The accounting policies and notes on pages 10 to 15 form part of these financial statements.

Alliance Fund Managers Limited
Annual report and financial statements
Registered Number 03099944
31 March 2019

Balance Sheet
as at 31 March 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	8	8,997	11,124
Investments:			
Shares in group undertakings	9	8	8
Other investments other than loans	9	2	2
		<u>9,007</u>	<u>11,134</u>
Current assets			
Debtors	10	265,913	348,076
Cash and cash equivalents		1,936,931	1,907,235
		<u>2,202,844</u>	<u>2,255,311</u>
Creditors: amounts falling due within one year	11	(822,466)	(949,802)
Net current assets		<u>1,380,378</u>	<u>1,305,509</u>
Net assets		<u><u>1,389,385</u></u>	<u><u>1,316,643</u></u>
Capital and reserves			
Called up share capital	12	70,000	70,000
Profit and loss account		1,319,385	1,246,643
Total shareholders' funds		<u><u>1,389,385</u></u>	<u><u>1,316,643</u></u>

These financial statements were approved by the board of directors on 22 July 2019 and were signed on its behalf by:


N Ashbridge
Director

The notes on pages 10 to 15 form part of these financial statements.

Alliance Fund Managers Limited
Annual report and financial statements
Registered No. 03099944
31 March 2019

Statement of Changes in Equity

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2017	70,000	1,455,076	1,525,076
Total comprehensive income for the year			
Loss for the year	-	(208,433)	(208,433)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	-	(208,433)	(208,433)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	<u>70,000</u>	<u>1,246,643</u>	<u>1,316,643</u>

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2018	70,000	1,246,643	1,316,643
Total comprehensive income for the year			
Profit for the year	-	72,742	72,742
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	72,742	72,742
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	<u>70,000</u>	<u>1,319,385</u>	<u>1,389,385</u>

The notes on pages 10 to 15 form part of these financial statements.

Notes to the financial statements

1 Accounting policies

Alliance Fund Managers Limited (the “Company”) is a company limited by shares and incorporated, domiciled and registered in the UK.

The registered number is 03099944 and the registered address is 2nd Floor, Exchange Court, 1 Dale Street, Liverpool, L2 2PP.

1.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling.

The Company’s ultimate parent undertaking, Merseyside Special Investment Fund Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Merseyside Special Investment Fund Limited are available to the public, and may be obtained from the above address. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Merseyside Special Investment Fund Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis in preparing the annual financial statements.

1.4 Basic financial instruments

Other debtors / trade and other creditors

Other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a reducing balance basis at 25% per annum.

1.6 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes to the financial statements

1 Accounting policies (continued)

1.7 Turnover

Turnover, which comprises principally fund management, investment arrangement and monitoring fees, is from sale of services and is recognised as it accrues.

1.8 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar charges includes interest payable.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.10 Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities and revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the financial statements
(continued)

2 Turnover

	2019	2018
	£	£
Continuing operations:		
Fund management fees	1,249,348	874,946
Income from recharges of costs	86,938	102,829
NED fees	3,000	3,250
	<u>1,339,286</u>	<u>981,025</u>

Income arises in the United Kingdom and excludes VAT.

3 Expenses and auditor's remuneration

Included in profit/(loss) are the following:

Auditor's remuneration:

	2019	2018
	£	£
Audit of the company	4,392	4,808
Other services pursuant to legislation	5,800	5,200
Tax services	6,200	6,520
	<u>16,392</u>	<u>16,528</u>

4 Staff costs

	2019	2018
	£	£
Wages and salaries	841,626	792,114
Social security costs	91,372	85,152
Other pension costs	19,143	11,811
	<u>952,141</u>	<u>889,077</u>

The average number of persons employed by the Company (including directors) during the year was 16 (2018: 16).

The company operates 1 (2018: 1) defined contribution pension scheme.

5 Directors' remuneration

	2019	2018
	£	£
Emoluments (for services as Directors)	122,917	131,654
Money purchase pension contributions paid	6,250	5,995
	<u>129,167</u>	<u>137,649</u>

6 Interest receivable and similar income

	2019	2018
	£	£
Bank interest	17,109	15,134

7 Tax on loss on ordinary activities

7a) Analysis of tax charge in year

	2019	2018
	£	£
Current tax:		
UK corporation tax on loss of the year	-	11,335
Total Current tax	<u>-</u>	<u>11,335</u>
Deferred tax asset not recognised	<u>(14,978)</u>	<u>(5,819)</u>

7b) Factors affecting tax charge for year

The tax assessed for the year is equal to (2018: lower) than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	2019	2018
	£	£
Profit/(loss) for the year	72,742	(197,098)
Tax on profit/(loss) for the year	-	-
Profit on ordinary activities before taxation	<u>72,742</u>	<u>(197,098)</u>

Notes to the financial statements
(continued)

7b) Factors affecting tax charge for year (continued)

Standard rate of corporation tax in the UK	19%	19%
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax of 19% (2018:19%)	13,821	(37,449)
Effects of:		
Expenses not deductible for tax purposes	2,215	1,560
Losses carried back	-	10,760
Group relief not paid	-	26,272
Adjust opening deferred tax to average rate of 19%	1,762	(805)
Adjust closing deferred tax to average rate of 19%	(3,450)	685
Deferred tax not recognised	(14,348)	(1,023)
Total tax charge for year (note 7a)	<u>-</u>	<u>-</u>

7b) Factors affecting tax charge for year (continued)

Factors that may future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The deferred tax asset/liability at 31 March 2019 has been calculated based on the latest substantively enacted rate of 17%.

This will reduce the Company's future current tax charge accordingly.

8 Tangible assets

	Fixtures, fittings and equipment £
Cost	
At 1 April 2018	160,136
Additions	804
At 31 March 2019	<u>160,940</u>
Accumulated depreciation	£
At 1 April 2018	149,012
Charge for the year	2,931
At 31 March 2019	<u>151,943</u>
Net book value	
At 31 March 2019	<u>8,997</u>
At 31 March 2018	<u>11,124</u>

9 Investments

	Shares in group undertakings £	Other investments £	Total £
Cost			
As at 1 April 2018 and 31 March 2019	<u>8</u>	<u>2</u>	<u>10</u>

The directors believe that the carrying value of the investment is supported by their underlying net assets.

The other investments represent an interest in the Merseyside Loan and Equity Fund LLP (formerly MSIF Successor Fund LLP) and the North West Transitional Loan Investment Fund LLP.

Notes to the financial statements
(continued)

9 Investments (continued)

The company holds the entire share capital of the following subsidiaries, all of which have a year ending 31 March. All shareholdings are direct holdings in ordinary share capital.

Company	Profit/(Loss)	Net assets /(liabilities)	Principal Activity
BCE Fund Managers (Merseyside) Ltd	-	354	Designated Member of AFM NWF General Partner LLP and AFM NPIF General Partner LLP
AFM Small Firms Fund Limited	-	446,764	General Partner of North West Business Growth Fund LP
AFM Merseyside Mezzanine Limited	-	21,001	Director for White Property Services Limited
AFM Merseyside Ventures Limited	-	87,702	General Partner of the Merseyside Special Investment Venture Fund No. 3 Limited Partnership. The Company also acts as Director for White Property Services Limited
AFM R101 Ventures Limited	(10,956)	(20,046)	General Partner of the Merseyside Special Investment Venture Fund Limited Partnership. It is a Limited Partner in NPIF NW (Microfinance) Limited Partnership
Alliance Fund Managers Nominees Ltd	-	1	The company acts as nominee shareholder for equity investments made by other group entities
AFM Seed Fund Ltd	-	28,001	First General Partner of the Liverpool Seed Fund Limited Partnership
AFM Business Growth Fund Limited	-	(159)	Limited Partner of the North West Business Growth Fund
AFM NPIF General Partner LLP	-	2	Second General Partner of NW NPIF (Microfinance) LP
AFM NWF General Partner LLP	-	2	Second General Partner of NWF (Micro Loans) LP

The registered office for all the above subsidiaries is 2nd Floor, Exchange Court, 1 Dale Street, Liverpool, L2 2PP.

10 Debtors	2019	2018
	£	£
Amounts owed by group undertakings	120,875	261,990
Other debtors	34,193	28,205
Prepayments	43,435	31,594
Accrued income	67,410	26,287
	<u>265,913</u>	<u>348,076</u>

The amounts owed by group undertakings are unsecured, repayable on demand and at a nil rate of interest.

11 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	86,663	19,819
Amounts owed to group undertakings	584,462	792,490
Taxation and social security	84,881	80,566
Accruals	66,460	56,927
	<u>822,466</u>	<u>949,802</u>

The amounts owed to group undertakings are unsecured, repayable on demand and at a nil rate of interest.

12 Called up share capital	2019	2018
	£	£
Authorised, issued and fully paid 70,000 ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

13 Operating leases	2019	2018
	£	£
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	2,225	2,406
Between one and five years	1,947	4,172
	<u>4,172</u>	<u>6,578</u>

During the year £2,264 was recognised as an expense in the profit and loss account in respect of operating leases (2018: £4,082).

Notes to the financial statements
(continued)

14 Related party transactions

The Company, being a wholly owned subsidiary, has taken advantage of the exemption available under Section 33 of FRS 102 to not disclose transactions with other wholly owned companies in the group headed by Merseyside Special Investment Fund Limited.

Transactions with other related parties consist of a management fee of £6,468 (2018: £13,110) from NWF (Micro Loans) LP for the management of its Micro Loans Fund.

AFM NWF General Partner LLP, a wholly owned subsidiary, is the Second General Partner of NWF (Micro Loans) LP.

15 Parent company

The ultimate parent company, the controlling party and the only company to consolidate the results of Alliance Fund Managers Limited, is Merseyside Special Investment Fund Limited which is registered in England and Wales. A copy of the consolidated financial statements can be obtained from 2nd Floor, Exchange Court, 1 Dale Street, Liverpool, L2 2PP.