

Alliance Fund Managers Limited

Annual Report and Financial Statements

Year Ended

31 March 2022

Company Number 03099944



Alliance Fund Managers Limited

Company Information

| | |
|------------------------------------|--|
| Directors | M Borzomato Dr M F D'Abbadie K Khilosia (resigned 30 June 2022) H E Pittaway J L Walker |
| Registered number | 03099944 |
| Registered office | 2nd Floor Exchange Court 1 Dale Street Liverpool Merseyside L2 2PP |
| Independent auditor | KPMG LLP 8 Princes Parade Liverpool L3 1QH |
| Bankers | Natwest 2-8 Church Street Liverpool L1 3BG |
| Financial Conduct Authority | The Company is regulated by the FCA in the course of investment business, registration number 180891 |

Alliance Fund Managers Limited

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Alliance Fund Managers Limited

Directors' Report For the Year Ended 31 March 2022

The directors present their report and the audited financial statements for the year ended 31 March 2022.

Principal activity

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.

Business review

The year to 31st March 2022 has been a year of investment for Alliance Fund Managers Limited ("AFM"). While significant progress was reported in the prior period, including sizeable revenue and profit growth, further investment was required in order to consolidate the previous success and build further on this momentum.

During the period under review, AFM has seen a material increase in the amount of funds deployed with £9m (March 2021 : £4.3m) invested across a range of equity, debt and mezzanine products. This performance is particularly satisfying having been achieved against the challenges brought about by the ongoing pandemic during the period and more recently the wider pressures on the UK and global economies and the political landscape in Eastern Europe.

Against this backdrop, and following the award of accredited lender status by the British Business Bank, AFM has supported and impacted local businesses by providing a total of over £3.3m of funding (under various government initiatives) to support businesses impacted by the pandemic such as the Coronavirus Business Interruption Loan Scheme and Recovery Loan Schemes.

The determination of North West business leaders and the resilience of North West SMEs during this difficult period has been commendable, and it is encouraging that as business owners now look to the future AFM is seeing and completing an increasing number of growth investment opportunities through both the Liverpool City Region Combined Authority Flexible Growth Fund (a £20m loan fund to support projects being undertaken by growth businesses in the Liverpool City region) and the mezzanine, equity and venture offerings of the Merseyside Special Investment Fund Limited backed Merseyside Loan and Equity Fund.

This resilience has also been reflected in AFM's portfolio businesses, and the Company is delighted to continue to support these businesses in their growth plans. This growth is reflected in positive valuation increases across the equity and venture portfolio.

The Company continues to manage funds totalling over £90m, with the Executive Team focussed on increasing these funds under management and returning the Company to profitability. By investing in the development of its people, recruitment and technology and delivering on its investment strategies, track record and people development the Executive Team believe AFM will be ideally placed to support the raising of such new funds, both internally within the Merseyside Special Investment Fund group and externally with third parties. Since the period under review, this approach has enabled significant progress to be made, with heads of terms agreed on three potential new debt and equity funds planned to launch in 2022, and further discussions on other opportunities also ongoing.

Alliance Fund Managers Limited

Directors' Report (continued) For the Year Ended 31 March 2022

Directors

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

Non Executive Directors

J L Walker (Chairman)
K Khilosia (resigned 30 June 2022)
H E Pittaway

Executive Directors

M Borzomato
Dr M F D'Abbadie

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.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As at 31 March 2022, the Company had net current assets of £216,779 and net assets of £231,661.

The directors have prepared forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through support from Merseyside Special Investment Fund Limited, to meet its liabilities as they fall due.

Merseyside Special Investment Fund Limited has indicated its intention to continue to provide such support to the Company as needed for at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Qualifying third party indemnity provisions

The Company held qualifying professional indemnity insurance during the year for the benefit of one or more directors in a form and scope detailed within the Companies Act 2006.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Alliance Fund Managers Limited

Directors' Report (continued) For the Year Ended 31 March 2022

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28 July 2022 and signed on its behalf.



M Borzomato
Director

Alliance Fund Managers Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- 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.

Alliance Fund Managers Limited

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 31st March 2022, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet 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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

Alliance Fund Managers Limited

Independent Auditor's Report to the Members of Alliance Fund Managers Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are few judgmental elements to revenue. We did not identify any additional fraud risks.

We also performed procedures including; identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those with descriptions that could indicate fraudulent posting or unusual journal combinations to revenue.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, antibribery, employment law, and financial conduct authority regulations recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Alliance Fund Managers Limited

Independent Auditor's Report to the Members of Alliance Fund Managers Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

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 prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Alliance Fund Managers Limited

Independent Auditor's Report to the Members of Alliance Fund Managers Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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.

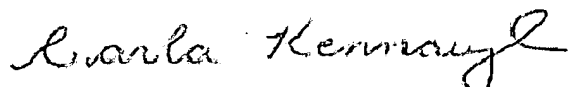
Auditor's responsibilities

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
United Kingdom

28 July 2022

Alliance Fund Managers Limited

Profit and Loss Account and Other Comprehensive Income For the Year Ended 31 March 2022

| | 2022 £ | 2021 £ |
|--|--------------------|--------------------|
| Turnover | 1,213,068 | 1,336,766 |
| Gross profit | 1,213,068 | 1,336,766 |
| Administrative expenses - staff costs | (1,035,015) | (1,033,772) |
| Other administrative expenses | (647,638) | (583,595) |
| Total administrative expenses | (1,682,653) | (1,617,367) |
| Other operating income | 400 | 3,962 |
| Operating loss | (469,185) | (276,639) |
| Interest receivable and similar income | 7,099 | 11,618 |
| Loss before tax | (462,086) | (265,021) |
| Loss for the financial year | (462,086) | (265,021) |

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

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 11 to 17 form part of these financial statements.

Alliance Fund Managers Limited
Registered number: 03099944

Balance Sheet
As at 31 March 2022

| | Note | 2022 £ | 2021 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 14,872 | 19,094 |
| Investments | 6 | 10 | 10 |
| | | <u>14,882</u> | <u>19,104</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 7 | 332,703 | 503,313 |
| Cash at bank and in hand | | 1,226,712 | 1,255,633 |
| | | <u>1,559,415</u> | <u>1,758,946</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 8 | (1,342,636) | (1,084,303) |
| | | <u>216,779</u> | <u>674,643</u> |
| Net current assets | | | |
| | | <u>231,661</u> | <u>693,747</u> |
| Total assets less current liabilities | | | |
| | | <u>231,661</u> | <u>693,747</u> |
| Net assets | | | |
| | | <u>231,661</u> | <u>693,747</u> |
| Capital and reserves | | | |
| Called up share capital | | 70,000 | 70,000 |
| Profit and loss account | | 161,661 | 623,747 |
| Total equity | | <u>231,661</u> | <u>693,747</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 2022.



M Borzomato
Director

The notes on pages 11 to 17 form part of these financial statements.

Alliance Fund Managers Limited

Notes to the Financial Statements For the Year Ended 31 March 2022

1. General information

Alliance Fund Managers Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is pounds sterling (GBP). Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As at 31 March 2022, the Company had net current assets of £216,779 and net assets of £231,661.

The directors have prepared forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through support from Merseyside Special Investment Fund Limited, to meet its liabilities as they fall due.

Merseyside Special Investment Fund Limited has indicated its intention to continue to provide such support to the Company as needed for at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Alliance Fund Managers Limited

Notes to the Financial Statements For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.4 Turnover

Turnover relates to management and monitoring fees of the funds under management over the period to which they relate.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.5 Government grants

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in other operating income in the period in which it becomes receivable and the related expense is incurred.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income during the period in which it accrues.

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Tangible fixed assets

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

Alliance Fund Managers Limited

Notes to the Financial Statements For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment - 25%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets like amounts owed by group undertakings.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Alliance Fund Managers Limited

Notes to the Financial Statements For the Year Ended 31 March 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors have made no key judgements or estimates in preparing these financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 20 (2021 - 20).

5. Tangible fixed assets

| | Fixtures, fittings and equipment £ |
|--------------------------|---|
| Cost or valuation | |
| At 1 April 2021 | 183,425 |
| Additions | 1,714 |
| At 31 March 2022 | <u>185,139</u> |
| Depreciation | |
| At 1 April 2021 | 164,331 |
| Charge for the year | 5,936 |
| At 31 March 2022 | <u>170,267</u> |
| Net book value | |
| At 31 March 2022 | <u><u>14,872</u></u> |
| At 31 March 2021 | <u><u>19,094</u></u> |

Alliance Fund Managers Limited

Notes to the Financial Statements For the Year Ended 31 March 2022

6. Fixed asset investments

| | Investments in subsidiary companies £ | Investments in LLPs £ | Total £ |
|-----------------------------------|---|-----------------------------|------------|
| Cost | | | |
| At 1 April 2021 and 31 March 2022 | 8 | 2 | 10 |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Principal activity | Class of shares | Holding |
|-------------------------------------|--|-----------------|---------|
| BCE Fund Managers (Merseyside) Ltd | Designated Member of AFM NWF General Partner LLP and AFM NPIF General Partner LLP | Ordinary | 100% |
| AFM Small Firms Fund Limited | General Partner of North West Business Growth Fund LP | Ordinary | 100% |
| AFM Merseyside Mezzanine Limited | Director for White Property Services Limited | Ordinary | 100% |
| AFM Merseyside Ventures Limited | General Partner of the Merseyside Special investment Venture Fund No. 3 Limited Partnership. The Company also acts as Director for White Property Services Limited | Ordinary | 100% |
| AFM R101 Ventures Limited | General Partner of the Merseyside Special investment Venture Fund Limited Partnership. it is a Limited Partner in NPIF NW (Microfinance) Limited Partnership | Ordinary | 100% |
| Alliance Fund Managers Nominees Ltd | The Company acts as nominee shareholder for equity investments made by other Group entities | Ordinary | 100% |
| AFM Seed Fund Ltd | First General Partner of the Liverpool Seed Fund Limited Partnership | Ordinary | 100% |
| AFM Business Growth Fund Limited | Limited Partner of the North West Business Growth Fund | Ordinary | 100% |
| AFM NPIF General Partner LLP | Second General Partner of NW NPIF (Microfinance) LP | Ordinary | 100% |
| AFM NWF General Partner LLP | Second General Partner of NWF (Micro Loans) LP | Ordinary | 100% |

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

Alliance Fund Managers Limited

Notes to the Financial Statements For the Year Ended 31 March 2022

7. Debtors

| | 2022 £ | 2021 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 92,115 | 244,648 |
| Amounts owed by group undertakings | 194,829 | 149,925 |
| Prepayments and accrued income | 45,759 | 108,740 |
| | <u>332,703</u> | <u>503,313</u> |

Amounts owed by group undertakings are unsecured, interest free, and repayable on demand.

8. Creditors: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 20,956 | 41,681 |
| Amounts owed to group undertakings | 1,048,294 | 791,793 |
| Other taxation and social security | 20,636 | 62,723 |
| Other creditors | 37,988 | 3,749 |
| Accruals and deferred income | 214,762 | 184,357 |
| | <u>1,342,636</u> | <u>1,084,303</u> |

Amounts owed to group undertakings are unsecured, interest free, and repayable on demand.

9. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and contributions totalling £1,721 (2021 - £Nil) were payable to the fund at the year end and are included in other creditors.

Alliance Fund Managers Limited

Notes to the Financial Statements For the Year Ended 31 March 2022

10. Related party transactions

The Company has taken advantage of the exemption available in Section 1AC.35 of FRS 102 Section 1A whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the Group.

Transactions with other related parties include the following:

- Management fees of £4,211 (2021 - £14,214) and a monitoring fee of £470 (2021 - £850) 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; and
- Management fees of £76,178 (2021 - £54,468) from NW NPIF (Microfinance) LP for the management of its Microfinance Loans Fund. AFM NPIF General Partners LLP, a wholly owned subsidiary, is the Second General Partner of NW NPIF (Microfinance) LP.

Mark Borzomato and Marc d'Abbadie, directors of Alliance Fund Managers Limited, are also directors of SPARK Impact Limited and directors and shareholder of SPARK Impact Holdings Limited. Alliance Fund Managers Limited has entered into an arrangement with SPARK Impact Limited, a wholly owned subsidiary of SPARK Impact Holdings Limited, such that certain members of staff, including these directors, are seconded to SPARK Impact Limited for time spent on the affairs of that company. During the year £94,020 (2021 - £126,334) was charged to SPARK Impact Limited and £28,050 (2021 - £Nil) was outstanding at the year end date.

11. Controlling party

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, a company registered in England and Wales. A copy of the consolidated financial statements of Merseyside Special Investment Fund Limited may be obtained from the company's registered address at registered address is 2nd Floor, Exchange Court, 1 Dale Street, Liverpool, Merseyside, L2 2PP.