



Alliance Fund Managers (Holdings) Limited

Annual report and financial statements

for the year ended 31 March 2003

Registered Number: 4202686



Alliance Fund Managers (Holdings) Limited

Annual report and financial statements for the year ended 31 March 2003

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Alliance Fund Managers (Holdings) Limited

Directors and Company information

Mr N Kemsley
Mr M O'Connor
Mr R Swainson

Secretary

DWF Secretarial Services Ltd

Registered Office

5th Floor
Cunard Building
Pier Head
Liverpool
L3 1DS

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants
Princes Parade
St Nicholas Place
Liverpool
L3 1QJ

Principal bankers

Barclays Bank plc
North West Larger Business - Liverpool
15/33 Moorfields
Liverpool
L69 2RU

Solicitors

Davies Wallis Foyster
5 Castle Street
Liverpool
L2 4XE

Alliance Fund Managers (Holdings) Limited

Report of the directors for the year ended 31 March 2003

The directors present their report and the audited financial statements of the company for the year ended 31 March 2003.

Principal activities

The company is limited by guarantee, with the sole guarantor being the Merseyside Special Investment Fund Limited.

The company was incorporated on 20 April 2001, formed as a buyout vehicle for the purchase of BCE Fund Managers Limited, which subsequently changed its name to Alliance Fund Managers Limited.

Financial results

The loss for the year of £45,426 (2002: £22,713) has been transferred from reserves.

Dividends

The directors do not recommend the payment of a dividend (2002: £Nil).

Directors

The directors during the year ended 31 March 2003, were as follows:

Mr N Kemsley
Mr M O'Connor
Mr R Swainson

No director of the company has any interest in the company within the meaning of the Companies Act 1985. Their interests in the share capital of the ultimate parent company, Merseyside Special Investment Fund Limited, are shown in that company's financial statements.

Alliance Fund Managers (Holdings) Limited**Report of the directors
for the year ended 31 March 2003 (continued)****Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that year. In preparing those 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.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

PricewaterhouseCoopers resigned on 15 April 2003 and the directors appointed its successor PricewaterhouseCoopers LLP, as auditors. A resolution to re-appoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the Annual General Meeting.

By order of the Board



N Kemsley
Director
15 July 2003

Alliance Fund Managers (Holdings) Limited

Independent auditors' report to the members of Alliance Fund Managers (Holdings) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes, which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Report of the directors.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Alliance Fund Managers (Holdings) Limited**Independent auditors' report to the members of Alliance Fund Managers (Holdings) Limited (continued)**

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 2003 and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Liverpool
15 July 2003

Alliance Fund Managers (Holdings) Limited

Profit and loss account for the year ended 31 March 2003

	Notes	2003 £	Period ended 31 March 2002 £
Operating costs	2	(45,426)	(22,713)
Loss on ordinary activities before taxation	3	<u>(45,426)</u>	<u>(22,713)</u>
Taxation	5	<u>-</u>	<u>-</u>
Retained loss for the year/period		<u><u>(45,426)</u></u>	<u><u>(22,713)</u></u>

All operations are continuing.

There is no difference between the loss on the ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

There are no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 10 form an integral part of these financial statements.

Alliance Fund Managers (Holdings) Limited

Balance sheet at 31 March 2003

	Notes	2003 £	2002 £
Fixed assets			
Intangible Assets	6	158,991	204,417
Investments	7	<u>70,000</u>	<u>70,000</u>
		228,991	274,417
Creditors: amounts falling due after more than one year	8	<u>(297,130)</u>	<u>(297,130)</u>
Net liabilities		<u>(68,139)</u>	<u>(22,713)</u>
Capital and reserves			
Profit and loss account	10	<u>(68,139)</u>	<u>(22,713)</u>
Shareholders' Funds	11	<u>(68,139)</u>	<u>(22,713)</u>

The financial statements on pages 6 to 10 were approved by the Board of Directors on 15 July 2003 and were signed on its behalf by



N Kemsley
Director

Alliance Fund Managers (Holdings) Limited

Notes to the financial statements for the year ended 31 March 2003

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirements to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

The company is exempt from the requirements of FRS1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Merseyside Special Investment Fund Limited, and its cash flows are included with the published consolidated financial statements of that company.

As the company is a wholly owned subsidiary of Merseyside Special Investment Fund Limited the company has taken advantage of the exemption afforded by FRS8 not to disclose transactions or balances with entities that form part of the group.

Goodwill

On the acquisition of a business, fair values are ascribed to the net assets acquired. Goodwill arises when the fair value of the consideration given for the business exceeds such net assets. Goodwill arising on the acquisition of a business is capitalised as an asset and amortised over its useful economic life, considered to be five years.

2 Operating Costs

The company has no employees (2002: £Nil)

The directors received no remuneration in respect of qualifying services (2002: £Nil).

Audit fees for the company are borne by the subsidiary company, Alliance Fund Managers Limited.

3 Loss on ordinary activities before taxation

	2003	2002
Loss on ordinary activities before taxation is stated after charging:	£	£
Amortisation of goodwill	<u>45,426</u>	<u>22,713</u>

Alliance Fund Managers (Holdings) Limited

4 Dividends

No dividends are proposed for the year (2002: £Nil).

5(a) Taxation – ordinary activities

	2003	2002
	£	£
UK Corporation tax at 30%	<u>-</u>	<u>-</u>

5(b) Factors affecting tax charge for year

	2003	2002
	£	£
Profit on ordinary activities before tax	<u>(45,426)</u>	<u>(22,713)</u>
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 30%	(13,628)	(6,814)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	<u>13,628</u>	<u>6,814</u>
Current tax charge for the period (note 5(a))	<u><u>-</u></u>	<u><u>-</u></u>

6 Intangible assets

Intangible assets

Goodwill of £227,130 arose out of the purchase of BCE Fund Managers Limited (now renamed Alliance Fund Managers Limited).

Cost	£
At 1 April 2002 and 31 March 2003	<u><u>227,130</u></u>
Amortisation	
At 1 April 2002	22,713
Charge for the year	45,426
At 31 March 2003	<u><u>68,139</u></u>
Net Book amount	
At 31 March 2003	<u><u>158,991</u></u>
At 31 March 2002	<u><u>204,417</u></u>

7 Investments in subsidiary undertakings

This represents the cost of the purchase of the entire share capital of BCE Fund Managers Limited (renamed Alliance Fund Managers Limited).

Alliance Fund Managers (Holdings) Limited

8 Creditors: amounts falling due after more than one year

	2003 £	2002 £
Amounts owed to group undertakings	<u>297,130</u>	<u>297,130</u>

This is an interest free loan from the guarantor company at a nil interest rate.

9 Share Capital

This company does not have share capital and is limited by guarantee. The liability of the member, Merseyside Special Investment Fund Limited, is limited to a minimum of £1 and a maximum of £100.

10 Reserves

	Profit and loss account £
At 1 April 2002	(22,713)
Retained loss for the year	<u>(45,426)</u>
At 31 March 2003	<u>(68,139)</u>

11 Reconciliation of movement in shareholders' funds

	2003 £	2002 £
Shareholders' funds at the start of year/period	(22,713)	-
Loss for the financial year/period	<u>(45,426)</u>	<u>(22,713)</u>
Shareholders funds at the end of the year/period	<u>(68,139)</u>	<u>(22,713)</u>

12 Parent Company

Alliance Fund Managers (Holdings) Limited is a wholly owned subsidiary undertaking (by guarantee) of Merseyside Special Investment Fund Limited and its results are included in the consolidated accounts of that company, copies of which can be obtained from 5th Floor, Cunard Building, Pier Head, Liverpool, L3 1DS.

The Parent company has undertaken to provide support to meet its current obligations as they fall due.