

Registered number
4415642

AFM Cornwall Ventures Limited
Annual report and financial statements
for the year ended 31 March 2004



AFM Cornwall Ventures Limited
Report and financial statements
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AFM Cornwall Ventures Limited
Company Information

Directors

Mr M Fuller
Mr W M Furness
Mr N Kemsley

Secretary

DWF Secretarial Services Ltd

Auditors

PricewaterhouseCoopers LLP
8 Princes Parade
St Nicholas Place
Liverpool
L3 1QJ

Bankers

Barclays Bank plc
North West Larger Business - Liverpool
15/33 Moorfields
Liverpool
L3 1QJ

Solicitors

Davies Wallis Foyster
5 Castle Street
Liverpool
L69 2RU

Registered office

5th Floor
Cunard Building
Pier Head
Liverpool
L3 1DS

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AFM Cornwall Ventures Limited
Report of the directors
for the year ended 31 March 2004

The directors present their report and the audited financial statements of the company for the year ended 31 March 2004.

Principal activities

The company was the General Partner of the Finance Cornwall Equity Fund and managed a portfolio of investments throughout Cornwall.

Business review

The company was incorporated on 12 April 2002. On the 6 March 2004 the company was replaced as General Partner.

Financial Results

The profit for the period of £537 (2003: £1,602) has been transferred to reserves.

Dividends

The directors do not recommend payment of a dividend (2003 :£Nil)

Directors

The directors who served during the year ended 31 March 2004 were as follows:

Mr M Fuller
Mr W M Furness
Mr N Kemsley

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.

AFM Cornwall Ventures Limited
Report of the directors
for the year ended 31 March 2004
(continued)

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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

A resolution to re-appoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the Annual general Meeting.

This report was approved by the board on 19 July 2004.



N Kemsley
Director

AFM Cornwall Ventures Limited

Independent auditor's report to the members of AFM Cornwall Ventures 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 in accordance with the accounting policies set out in the statement of accounting policies (note 1).

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and financial statements in accordance with 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 Report of the directors 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 United Kingdom 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.

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.

AFM Cornwall Ventures Limited

**Independent auditor's report to the members of AFM Cornwall Ventures Limited
(continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pranatahewetupis nlp

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Liverpool

19 July 2004

AFM Cornwall Ventures Limited
Profit and Loss Account
for the year ended 31 March 2004

			Period ended 31 March
	Notes	2004 £	2003 £
Turnover	2	286,237	151,433
Operating Costs	3	(285,700)	(149,831)
Profit on ordinary activities before taxation		<u>537</u>	<u>1,602</u>
Tax on profit on ordinary activities	4	-	-
Retained profit for the financial year		<u><u>537</u></u>	<u><u>1,602</u></u>

Amounts for 2004 are in respect of discontinued operations (2003: continuing).

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

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

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

AFM Cornwall Ventures Limited
Balance Sheet
as at 31 March 2004

	Notes	2004 £	2003 £
Fixed assets			
Investments	5	<u>-</u>	<u>1,100</u>
Current assets			
Debtors	6	2,121	55,003
Cash at bank and in hand		<u>19</u>	<u>-</u>
		2,140	55,003
Creditors: amounts falling due within one year	7	<u>-</u>	<u>(22,600)</u>
Net current assets		<u>2,121</u>	<u>32,403</u>
Total assets less current liabilities		2,140	33,503
Creditors: amounts falling due after more than one year	8	-	(31,900)
Net assets		<u><u>2,140</u></u>	<u><u>1,603</u></u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	<u>2,139</u>	<u>1,602</u>
Shareholders' funds - equity	11	<u><u>2,140</u></u>	<u><u>1,603</u></u>

The financial statements on pages 6 to 10 were approved by the board of directors on 19 July 2004 and were signed on its behalf by



N Kemsley
Director

AFM Cornwall Ventures Limited
Notes to the financial statements
for the year ended 31 March 2004

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 (revised) 'Cash Flow Statements' to prepare a cash flow statement as it is 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.

Deferred Taxation

Deferred taxation is provided at appropriate rates of taxation on timing differences between the recognition of items of income and expenditure for accounting and tax purposes to the extent that a liability will crystallise in the foreseeable future.

2 Turnover

Turnover represents the priority profit share receivable from Finance Cornwall Business Loan Fund Limited Partnership in the company's capacity as General Partner.

	2004 £	2003 £
Priority Profit Share	<u>286,237</u>	<u>151,433</u>

Income arises in the United Kingdom and excludes VAT.

3 Operating Costs

These comprise amounts payable to Alliance Fund Managers Limited for fund management fees. The company has no employees (2003:Nil).

The directors received no remuneration in respect of qualifying services (2003:Nil).

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

AFM Cornwall Ventures Limited
Notes to the financial statements
for the year ended 31 March 2004
(continued)

		Period ended 31 March 2003
4(a) Taxation	2004	
	£	£
UK corporation tax on profits of the period	-	-

4(b) Factors affecting tax charge for year

The tax assessed for the period is lower (2003 lower) than the standard rate of corporation tax in the UK (30%) (2003:30%). The differences are explained below:

		Period ended 31 March 2003
	2004	
	£	£
Profit on ordinary activities before tax	537	1,602
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 30% (2003: 30%)	161	480
<i>Effects of:</i>		
Expenses/income not deductible for tax purposes	(85,871)	
Unrelieved taxation losses carried forward	85,710	116,069
Income accrued but taxable in later accounting periods	-	(116,549)
Current tax charge for the period (note 4(a))	-	-

4 (c) Deferred Taxation

		Period ended 31 March 2003
	2004	
	£	£
Deferred tax comprises :		
Other timing differences	-	116,549
Losses	(243,138)	(116,069)
	(243,138)	480

5 Investments	2004	2003
	£	£
Investments	-	1,100

Investments consisted of the company's interest as the general partners in the Finance Cornwall Equity Fund. This was repaid when the company was replaced as general partner.

6 Debtors	2004	2003
	£	£
Accrued income	-	55,002
Amounts owed by group undertakings	2,121	1
	2,121	55,003

7 Creditors: amounts falling due within one year	2004	2003
	£	£
Amounts owed to group undertakings	-	21,500
Other creditors	-	1,100
	-	22,600

AFM Cornwall Ventures Limited
Notes to the financial statements
for the year ended 31 March 2004
(continued)

8	Creditors: amounts falling due after more than one year	2004	2003
		£	£
	Deferred Income	-	31,900
9	Share capital		
		2004	2003
		£	£
	Authorised	1,000	1,000
	Issued and Fully Paid Ordinary shares of £1 each	1	1
10	Profit and loss account		Profit and loss account
	At 1 April 2003		1,602
	Retained profit		537
	At 31 March 2004		2,139
11	Reconciliation of movements in shareholders' funds	2004	2003
		£	£
	Shareholders' funds at the start of year	1,603	-
	Issue of shares during the year	-	1
	Profit for the financial year	537	1,602
	Shareholders funds at the end of year	2,140	1,603

12 Related Party Transactions

The company, being a wholly owned subsidiary, has taken advantage of the exemptions afforded by FRS 8 'Related Party Disclosures' not to disclose transactions with other companies in the group headed by Merseyside Special Investment Fund Limited.

13 Parent Company

The company's immediate parent undertaking is Alliance Fund Managers Limited. The company's ultimate parent undertaking is 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.