

THE SECOND ALLIANCE TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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THE SECOND ALLIANCE TRUST LIMITED

COMPANY INFORMATION

DIRECTOR Lisa Brown (appointed 29 June 2017)

COMPANY SECRETARY Ian Anderson

REGISTERED NUMBER SC001284

REGISTERED OFFICE 8 West Marketgait
Dundee
DD1 1QN

INDEPENDENT AUDITORS Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

BANKERS The Royal Bank of Scotland
3 High Street
Dundee
DD1 9LY

THE SECOND ALLIANCE TRUST LIMITED

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THE SECOND ALLIANCE TRUST LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Director presents her report and the financial statements for the year ended 31 December 2017.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Director must not approve the financial statements unless she is 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 Director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 to enable her to ensure that the financial statements comply with the Companies Act 2006. She is 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.

PRINCIPAL ACTIVITY

The Company did not trade during the current or prior year.

DIRECTORS

The Directors who served during the year were:

Lisa Brown (appointed 29 June 2017)
Ramsay Urquhart (resigned 29 June 2017)

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DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

GOING CONCERN

The Company participates in group centralised treasury arrangements and so shares banking arrangements with its parent, Alliance Trust PLC and fellow subsidiaries. The Director has no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of her assessment of the Company's financial position and that of the ultimate parent company, the Company's Director has a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date of these accounts. Thus she continues to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

The Director at the time when this Director's Report is approved has confirmed that:

- so far as she is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- she 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 auditors are aware of that information.

AUDITORS

The auditors, Deloitte LLP, will be proposed for reappointment for the audit of the financial statements for the year ending 31 December 2018, in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

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

This report was approved by the Director and signed on her behalf by:



.....
Ian Anderson
Secretary

Date: 10 April 2018

THE SECOND ALLIANCE TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SECOND ALLIANCE TRUST LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 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.

We have audited the financial statements of The Second Alliance Trust Limited (the 'company') which comprise:

- the statement of income and retained earnings;
- the balance sheet;
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the director's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SECOND ALLIANCE TRUST LIMITED

required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for 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 the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the company, 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

THE SECOND ALLIANCE TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SECOND ALLIANCE TRUST LIMITED

- the director was not entitled to take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.


Andrew Partridge CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom

Date: 10 April 2018

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**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

**BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
CURRENT ASSETS			
Debtors		5,601	5,601
		<u>5,601</u>	<u>5,601</u>
NET CURRENT ASSETS		5,601	5,601
NET ASSETS		5,601	5,601
CAPITAL AND RESERVES			
Called up share capital	8	4,800	4,800
Capital redemption reserve	7	800	800
Profit and loss account	7	1	1
		<u>5,601</u>	<u>5,601</u>

The financial statements were approved, authorised for issue and signed by:


.....
Lisa Brown
Director

Date: 10 April 2018

The notes on pages 7 to 9 form part of these financial statements.

THE SECOND ALLIANCE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company is a private company limited by shares and incorporated in Scotland under the Companies Act. The address of the registered office is provided within the Company Information page. The nature of the company's operations and its principal activities are set in the Director's Report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'.

The functional currency of Second Alliance Trust Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied:

GOING CONCERN

The Company participates in group centralised treasury arrangements and so shares banking arrangements with its parent, Alliance Trust PLC and fellow subsidiaries. The Director has no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of her assessment of the Company's financial position and that of the ultimate parent company, the Company's Director has a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date of these accounts. Thus she continues to adopt the going concern basis of accounting in preparing the annual financial statements.

FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and related parties.

All basic financial instruments are initially measured at transaction price (including transaction costs) and subsequently at the undiscounted amount expected to be paid or received.

CASH FLOW STATEMENT

There have been no cash transactions in either the current or prior years. Accordingly no cash flow statement has been presented in these financial statements.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, it has not been necessary for the Director to make any significant judgments, estimates or assumptions.

THE SECOND ALLIANCE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3. TURNOVER

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

The auditors' remuneration of £1,250 (2016: £1,160) has been paid by Alliance Trust PLC, the ultimate parent entity. Total fees paid to the auditor, Deloitte LLP, are disclosed in the report and accounts of the ultimate parent company, Alliance Trust PLC.

No non audit fees (2016: £Nil) were payable to Deloitte LLP in respect of services provided to the Company.

4. DIRECTORS' AND EMPLOYEES' BENEFITS

The Company employed no staff during the year (2016: Nil). The Directors did not receive any remuneration for their qualifying services to the Company during the year (2016: £Nil).

5. DEBTORS

The amounts owed by AT2006 Limited and Alliance Trust PLC are classified as due within one year to reflect the fact these debtors can be recalled at any time (see note 6 for further details).

6. FINANCIAL INSTRUMENTS

	2017 £000	2016 £000
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost -		
Amounts owed by group undertakings	<u>5,601</u>	<u>5,601</u>

7. RESERVES

Capital redemption reserve

The capital redemption reserve arose on the repayment of the Company's preference share in April 2005.

Profit and loss account

The profit and loss account includes all current and prior years' retained profits and losses

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8. SHARE CAPITAL

	2017 £000	2016 £000
<i>Shares classified as equity</i>		
Allotted, called up and fully paid		
19,200,000 Ordinary shares of £0.25 each	4,800	4,800

9. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Alliance Trust PLC, the Company is exempt from the requirements of s.33 of FRS 102 to disclose transactions with other members of the group.

10. POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

11. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is AT2006 Limited, a company incorporated in Scotland. As at 31 December 2017 AT2006 Limited is the smallest and the largest group of which the company is a member and which prepares consolidated accounts. Copies of the consolidated accounts may be obtained from its registered office at 8 West Marketgait, Dundee, DD1 1QN.

The ultimate parent company and controlling entity is Alliance Trust PLC, incorporated in Scotland, whose Report and Accounts may be obtained from its registered office at 8 West Marketgait, Dundee, DD1 1QN or online at www.alliancetrust.co.uk.