

Registered number: SC211214

ALLIANCE TRUST EQUITY PARTNERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



ALLIANCE TRUST EQUITY PARTNERS LIMITED

COMPANY INFORMATION

Directors	Andrew Ian Killean Peter Anthony Michaelis (appointed 18 March 2016) Ramsay Urquhart (appointed 8 March 2016)
Company secretary	Ian Anderson
Registered number	SC211214
Registered office	8 West Marketgait Dundee DD1 1QN
Independent auditor	Deloitte LLP 110 Queen Street Glasgow G1 3BX
Bankers	The Royal Bank of Scotland 3 High Street Dundee DD1 9LY
Solicitors	Dickson Minto WS 16 Charlotte Square Edinburgh EH2 4DF

ALLIANCE TRUST EQUITY PARTNERS LIMITED

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ALLIANCE TRUST EQUITY PARTNERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Principal activities

The Company is authorised by the Financial Conduct Authority (FCA) to carry out Venture Capital Business. The Company's registration number is FRN:194663. The Company's principal activity is that of private equity fund management. The Company manages ATEP 2008 Funds LP and ATEP 2009 Funds LP, which are part of the Alliance Trust PLC Group. From 1 January 2016 investment management services have been managed internally and Augentius UK Limited provides certain administrative and accounting services.

Business review

Following the strategic decision by the ultimate parent undertaking, Alliance Trust PLC, in 2011 to exit its private equity business, the Directors have remained focused on maximising the value to investors through the investments still held in the underlying fund structures. The Directors will continue to consider the disposal of investments held if they believe that this represents the best returns for investors.

The Company is the manager of various client funds as per the relevant investment management agreements. Previously the Company was wholly owned by Alliance Trust Equity Partners (Holdings) Limited (ATEPH) but after a group restructure in 2015 the Company is now wholly owned by Alliance Trust PLC.

Principal risks and uncertainties

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk. The Company does not use derivative financial instruments for speculative purposes.

Credit and liquidity risk

The Company's principal financial assets are bank balances, inter company and other receivables. The Company's credit risk is primarily attributable to its bank counterparties and its inter company receivables and the Directors monitor the level of the inter company balances with each group member plus assess individual recoverability on a regular basis.

The credit risk on liquid funds is limited because the counterparties are banks with internationally assigned credit ratings. The Company maintains liquidity to ensure sufficient funds are available for ongoing operations through efficient working capital management.

The Directors consider these risks not to be significant for the Company.

Counterparty risk

This is the risk that a counterparty fails to discharge its obligations under a transaction, resulting in the Company suffering a loss, or that the Company fails to maintain sufficient liquidity. The significant counterparties are banks with high credit ratings and other wholly owned subsidiaries of the parent undertaking, Alliance Trust PLC. This risk is not considered to be significant.

ALLIANCE TRUST EQUITY PARTNERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Going concern


The Company participates in Alliance Trust PLC's ("the Group's") centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements. The directors of the ultimate parent undertaking, Alliance Trust PLC, have announced an orderly wind down of the private equity activities of the Group. Management therefore expect that private equity investments will continue to be held by the Group for the foreseeable future, through the orderly wind down period.

On the basis of their assessment of the Company's financial position the Company's Directors have 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 albeit the Group is effecting an orderly exit strategy from its private equity activities. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Key performance indicators

Key performance indicators are not used by the Company to measure performance.

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



Ian Anderson
Secretary

Date: 30 March 2017

ALLIANCE TRUST EQUITY PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, 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 the Directors have 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 Directors must not approve the financial statements unless satisfied that they are 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 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 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.

Financial risk management, objectives and policies

For further details see the Strategic Report on page 1.

Dividends paid

There were no dividends paid in the year under review (2015 - £15,000).

Results and dividends

The loss for the year, after taxation, amounted to £526 (2015 - profit £2,600).

Directors

The Directors who served during the year were:

Katherine Garrett-Cox (resigned 14 February 2016)
Andrew Ian Killean (appointed 1 January 2016)
Peter Anthony Michaelis (appointed 18 March 2016)
Ramsay Urquhart (appointed 8 March 2016)

Future developments

The Company will continue to manage ATEP 2008 Funds LP and ATEP 2009 Funds LP.

ALLIANCE TRUST EQUITY PARTNERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Post balance sheet events

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

Disclosure of information to auditor

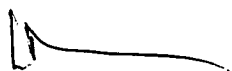
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- 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.

Auditor

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

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



Ian Anderson
Secretary

Date: 30 March 2017

ALLIANCE TRUST EQUITY PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE TRUST EQUITY PARTNERS LIMITED

We have audited the financial statements of Alliance Trust Equity Partners Limited for the year ended 31 December 2016, which comprise the Statement of income and retained earnings, the Balance sheet, the Statement of cash flows and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' responsibilities statement 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors' Report has been prepared in accordance with applicable legal requirements.

ALLIANCE TRUST EQUITY PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE TRUST EQUITY PARTNERS LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Andrew Partridge (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Glasgow

30 March 2017

ALLIANCE TRUST EQUITY PARTNERS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	3	550,114	538,364
Cost of sales		(510,243)	(487,364)
Gross profit		39,871	51,000
Administrative expenses		(39,871)	(48,400)
Operating profit	4	-	2,600
Tax on profit	6	(526)	-
(Loss)/profit after tax		(526)	2,600
Retained earnings at the beginning of the year		52,740	65,140
		52,740	65,140
(Loss)/profit for the year		(526)	2,600
Dividends declared and paid		-	(15,000)
Retained earnings at the end of the year		52,214	52,740
All amounts relate to continuing operations.			

ALLIANCE TRUST EQUITY PARTNERS LIMITED
REGISTERED NUMBER: SC211214

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	8	22,559	378
Bank and cash balances		85,405	99,784
		<u>107,964</u>	<u>100,162</u>
Creditors: amounts falling due within one year	9	(45,750)	(37,422)
Net current assets		<u>62,214</u>	<u>62,740</u>
Total assets less current liabilities		<u>62,214</u>	<u>62,740</u>
Net assets		<u><u>62,214</u></u>	<u><u>62,740</u></u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss account	11	52,214	52,740
		<u>62,214</u>	<u>62,740</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



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Ramsay Urquhart
 Director

Date: 30 March 2017

The notes on pages 10 to 14 form part of these financial statements.

ALLIANCE TRUST EQUITY PARTNERS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	(526)	2,600
Adjustments for:		
Taxation charge	526	-
Decrease in debtors	378	600
(Increase)/decrease in amounts owed by groups	(22,559)	32,187
Increase in creditors	7,802	34,600
Increase/(decrease) in amounts owed to groups	526	(902)
Corporation tax (paid)/received	(526)	-
Net cash generated from operating activities	(14,379)	69,085
Cash flows from financing activities		
Dividends paid	-	(15,000)
Net cash used in financing activities	-	(15,000)
Net (decrease)/increase in cash and cash equivalents	(14,379)	54,085
Cash and cash equivalents at beginning of year	99,784	45,699
Cash and cash equivalents at the end of year	85,405	99,784
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	85,405	99,784
	85,405	99,784

ALLIANCE TRUST EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

General information and basis of preparation of financial statements

Alliance Trust Equity Partners Limited is a company incorporated in the United Kingdom under the Companies Act. It is a private company limited by shares and incorporated in Scotland. 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 out in the Strategic Report on pages 1 - 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006.

The functional currency of Alliance Trust Equity Partners 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 the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to continue with the current banking arrangements.

The directors of the parent company, Alliance Trust PLC, have announced an orderly wind down of the private equity activities of the Group. Management therefore expect that private equity investments will continue to be held by the Group for the foreseeable future, through the orderly wind down period.

On the basis of their assessment of the Company's financial position, the Company's Directors have 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 albeit the Group is effecting an orderly exit strategy from its private equity activities. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is the total amount receivable by the Company for services provided during the period excluding VAT and arises solely within the United Kingdom. Services comprise the recharge of costs incurred on behalf of ATEP 2008 GP Limited and ATEP 2009 GP Limited. Turnover from the provision of services is recognised on production of the sales invoice after the services have been provided to the customer.

Financial instruments

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs) and at subsequent measurement dates.

Financial assets are derecognised when the contractual rights to the cash flow associated with the asset have expired or the asset is transferred including all rewards and risks of ownership. Financial liabilities are derecognised when the liability is extinguished.

ALLIANCE TRUST EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Dividends

Equity dividends are recognised when they become legally payable.

1.1 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 Directors to make any significant judgements, estimates or assumptions.

3. Turnover

The whole of the turnover is attributable to private equity fund management.

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,150	5,000

In 2015 £5,150 in relation to audit fees and £3,450 (2015:£3,350) in relation to other services pursuant to legislation were borne by the immediate parent company.

5. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2015 - £NIL).

ALLIANCE TRUST EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. Taxation

	2016 £	2015 £
Corporation tax		
Corporation tax payable	-	-
Adjustments in respect of previous periods	526	-
Total current tax	<u>526</u>	<u>-</u>
Factors affecting tax charge for the year		
	2016 £	2015 £
Profit on ordinary activities before tax	-	2,600
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.3%)	-	528
Effects of:		
Group relief	526	(528)
Total tax charge for the year	<u>526</u>	<u>-</u>

The standard rate of tax applied to reported profit is 20 per cent (2015: 20.25 per cent). The applicable tax rate has changed following the substantive enactment of the Finance Act 2015 reducing the UK corporation tax rate to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020. The subsequent enactment of Finance Act 2016 reduced the UK corporation tax rate further to 17% effective from 1 April 2020.

7. Dividends

	2016 £	2015 £
Equity dividends paid	-	15,000
	<u>-</u>	<u>15,000</u>

ALLIANCE TRUST EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	22,559	-
Other debtors	-	378
	<u>22,559</u>	<u>378</u>

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	526	-
Other creditors	45,224	37,422
	<u>45,750</u>	<u>37,422</u>

10. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	85,405	99,784
Financial assets that are debt instruments measured at amortised cost	22,559	378
	<u>107,964</u>	<u>100,162</u>
Financial liabilities		
Other creditors (incl directors loans)	(45,750)	(37,422)
	<u>(45,750)</u>	<u>(37,422)</u>

11. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

12. Share capital

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
10,000 Ordinary Shares shares of £1 each	<u>10,000</u>	<u>10,000</u>

ALLIANCE TRUST EQUITY PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Related party transactions

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

14. Ultimate parent undertaking and controlling party

In 2015 the Alliance Trust Group underwent a period of restructuring and as a result the immediate parent undertaking and controlling party is Alliance Trust PLC, 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.