

Registered number: SC211214

ALLIANCE TRUST EQUITY PARTNERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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ALLIANCE TRUST EQUITY PARTNERS LIMITED

COMPANY INFORMATION

Director	David Michael Hughes (appointed 29 June 2017)
Company secretary	Ian Anderson
Registered number	SC211214
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
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 2017

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.

In the year to 31 March 2017 private equity fund management services continued to be provided by Alliance Trust Investments Limited. From 1 April 2017 Towers Watson Investment Management Limited were appointed to provide private equity fund management services. In June 2017 David Hughes was appointed as a director of the Company. Augentius UK Limited continued to provide certain administrative and accounting services throughout the year.

Business review

Following the strategic decision by the parent undertaking, Alliance Trust PLC, in 2011 to exit its private equity business, the Director has remained focused on maximising the value to investors through the investments still held in the underlying fund structures. The Director will continue to consider the disposal of investments held if it is believed that this is in the best interests of shareholders.

The Company is the manager of various client funds as per the relevant investment management agreements and is 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 Director monitors the level of the inter company balances with each group member plus assesses 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 Director considers 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 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 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 its private equity activities. Management therefore expect that private equity investments will continue to be held by Alliance Trust PLC for the foreseeable future, through the orderly wind down period.

On the basis of his assessment of the Company's financial position, 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 albeit Alliance Trust PLC is effecting an orderly exit strategy from its private equity activities. Thus he continues 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 Director and signed on his behalf.



Ian Anderson
Secretary

Date: 10 April 2018

ALLIANCE TRUST EQUITY PARTNERS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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

Director's responsibilities statement

The Director is responsible for preparing the Strategic Report, the Directors' 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 satisfied that they show 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 judgements 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 him to ensure that the financial statements comply with the Companies Act 2006. He 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.

Dividends paid

There were no dividends paid in the year under review (2016 - £Nil).

Results and dividends

The profit for the year, after taxation, amounted to £Nil (2016 - loss £526).

Directors

The Directors who served during the year were:

David Michael Hughes (appointed 29 June 2017)
Peter Anthony Michaelis (resigned 1 February 2017)
Andrew Ian Killeen (resigned 31 March 2017)
Ramsay Urquhart (resigned 29 June 2017)

Future developments

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

Principal risks and uncertainties

Principal risks and uncertainties are disclosed on page 1 of the Strategic Report.

ALLIANCE TRUST EQUITY PARTNERS LIMITED

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

Post balance sheet events

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

Disclosure of information to auditors

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

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

This report was approved by the Director and signed on his behalf.



Ian Anderson
Secretary

Date: 10 April 2018

ALLIANCE TRUST EQUITY PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE TRUST EQUITY PARTNERS 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 Alliance Trust Equity Partners Limited (the 'company') which comprise:

- the statement of income and retained earnings;
- the balance sheet;
- the statement of cash flows; and
- the related notes 1 to 13.

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.

ALLIANCE TRUST EQUITY PARTNERS LIMITED

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

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 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.

ALLIANCE TRUST EQUITY PARTNERS LIMITED

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

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.

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

ALLIANCE TRUST EQUITY PARTNERS LIMITED

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

	Note	2017 £	2016 £
Turnover	3	125,002	550,114
Cost of sales		(110,984)	(510,243)
Gross profit		14,018	39,871
Administrative expenses		(14,018)	(39,871)
Profit before tax	4	-	-
Tax on profit	6	-	(526)
Loss after tax		-	(526)
Retained earnings at the beginning of the year		52,214	52,740
Loss for the year		-	(526)
Retained earnings at the end of the year		52,214	52,214
All amounts relate to continuing operations.			

ALLIANCE TRUST EQUITY PARTNERS LIMITED
REGISTERED NUMBER: SC211214

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	7	21,599	22,559
Bank and cash balances		77,171	85,405
		<u>98,770</u>	<u>107,964</u>
Creditors: amounts falling due within one year	8	(36,556)	(45,750)
Net current assets		<u>62,214</u>	<u>62,214</u>
Total assets less current liabilities		<u>62,214</u>	<u>62,214</u>
Net assets		<u>62,214</u>	<u>62,214</u>
Capital and reserves			
Called up share capital	11	10,000	10,000
Profit and loss account	10	52,214	52,214
		<u>62,214</u>	<u>62,214</u>

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



David Michael Hughes
 Director

Date: 10 April 2018

The notes on pages 11 to 14 form part of these financial statements.

ALLIANCE TRUST EQUITY PARTNERS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Loss for the financial year	-	(526)
Adjustments for:		
Taxation charge	-	526
(Increase)/decrease in debtors	(245)	378
Decrease/(increase) in amounts owed by group undertakings	1,205	(22,559)
(Decrease)/increase in creditors	(20,574)	7,802
Increase in amounts owed to group undertakings	11,380	526
Corporation tax received/(paid)	-	(526)
Net cash generated from operating activities	(8,234)	(14,379)
Cash and cash equivalents at beginning of year	85,405	99,784
Cash and cash equivalents at the end of year	77,171	85,405
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	77,171	85,405
	77,171	85,405

ALLIANCE TRUST EQUITY PARTNERS LIMITED

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

1. ACCOUNTING POLICIES

GENERAL INFORMATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Alliance Trust Equity Partners Limited 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 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 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 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 its private equity activities. Management therefore expect that private equity investments will continue to be held by Alliance Trust PLC for the foreseeable future, through the orderly wind down period.

On the basis of his assessment of the Company's financial position, 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 albeit Alliance Trust PLC is effecting an orderly exit strategy from its private equity activities. Thus he continues 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 subsequently at amortised cost.

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 2017

1. ACCOUNTING POLICIES (continued)

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. JUDGEMENTS 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 judgements, estimates or assumptions.

3. TURNOVER

Turnover of £125,002 (2016- £550,114) is wholly attributable to private equity fund management.

All turnover arose within the United Kingdom.

4. PROFIT BEFORE TAX

The profit before tax is stated after charging:

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>9,300</u>	<u>5,150</u>

The fees include the fees paid on behalf of ATEP 2008 GP Limited and ATEP 2009 GP Limited. Non audit fees of £6,300 (2016 - £6,000) were payable to Deloitte LLP in respect of services pursuant to legislation.

5. EMPLOYEES

The Company had no employees during the year under review (2016 - Nil). VCF Partners LP received remuneration during the year amounting to £5,000 for services provided by David Michael Hughes in his capacity of the Company's Director (2016 - £Nil).

ALLIANCE TRUST EQUITY PARTNERS LIMITED

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

6. TAXATION

	2017 £	2016 £
Corporation tax		
Corporation tax payable	-	-
Adjustments in respect of previous periods	-	526
Total current tax	<u>-</u>	<u>526</u>
Factors affecting tax charge for the year		
Effects of:		
Group relief	-	526
Total tax charge for the year	<u>-</u>	<u>526</u>

The standard rate of UK corporation tax for the year ended 31 December 2017 is 19.25% (year ended 31 December 2016: 20%). A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015 and an additional reduction from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

7. DEBTORS

	2017 £	2016 £
Amounts owed by group undertakings	21,354	22,559
Other debtors	245	-
	<u>21,599</u>	<u>22,559</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Amounts owed to group undertakings	11,906	526
Other creditors	24,650	45,224
	<u>36,556</u>	<u>45,750</u>

ALLIANCE TRUST EQUITY PARTNERS LIMITED

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

9. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets		
Cash and cash equivalents	77,171	85,405
Financial assets that are debt instruments measured at amortised cost (see note 7)	21,599	22,559
	<u>98,770</u>	<u>107,964</u>
Financial liabilities		
Financial liabilities measured at amortised cost (see note 8)	36,556	45,750
	<u>36,556</u>	<u>45,750</u>

10. RESERVES

Profit and loss account

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

11. SHARE CAPITAL

	2017 £	2016 £
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>

12. 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.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate 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.