

Alchemy Partners Limited

Directors' report and accounts

Registered number 3274858

30 April 2000



Directors report and financial statements

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Directors' report

The directors submit their report and the accounts for the year ended 30 April 2000 (comparatives shown are for the period 1 April 1998 to 30 April 1999).

Principal activities

The principal activity of the company is that of a service company. The directors are satisfied with the company's results for the period.

Year 2000

The Year 2000 potential problem relates to the inability of many computers and electronic devices to deal with the Year 2000 date change. The company has suffered costs of approximately £1,500 for work in relation to this problem which has not identified any significant failures.

The directors continue to monitor the impact of this issue on the company's own equipment and it is not anticipated that any future costs will have a material impact on the company's accounts.

Results and dividends

The profit for the period after taxation amounted to £39,146 (1999: £28,882).

The directors do not recommend the payment of a dividend (1999: £nil) and therefore the balance on the profit and loss account has been taken to reserves.

Directors and interests in shares

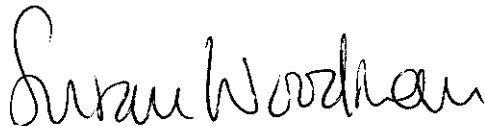
The directors of the company who held office throughout the year, unless otherwise stated, were:

J Pickering
S Woodman
J Bostock

Accounts

Advantage has been taken in preparing the above report of special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



Sue Woodman
Secretary

20 Bedfordbury
London
WC2N 4BL

17 July 2000

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 695
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Report of the auditors to the members of Alchemy Partners Limited

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Companies Act. 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 with the company is not disclosed.

Basis of 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.

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 the company's affairs as at 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature of the KPMG firm, written in a stylized, cursive-like font.

KPMG
Chartered Accountants
Registered Auditors

17 July 2000

Profit and loss account
for the year ended 30 April 2000

	<i>Note</i>	2000 £	1999 £
Turnover		1,469,000	1,239,050
Administrative expenses		(1,441,385)	(1,208,810)
Other operating income		10,667	-
		<hr/>	<hr/>
Operating profit		38,282	30,240
Interest receivable and similar income		302	1,468
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	38,584	31,708
Tax on profit on ordinary activities	4	562	(2,826)
		<hr/>	<hr/>
Profit for the financial year		39,146	28,882
Retained profit brought forward		30,879	1,997
		<hr/>	<hr/>
Retained profit carried forward		70,025	30,879
		<hr/>	<hr/>

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.

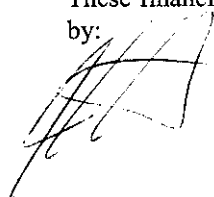
There were no recognised gains or losses other than those passing through the profit and loss account.

Balance sheet
at 30 April 2000

	<i>Note</i>	2000	1999
		£	£
Fixed assets			
Tangible assets	5	<u>125,678</u>	<u>139,996</u>
Current assets			
Other debtors: amounts falling due after more than one year	6	99,584	-
Debtors: amounts falling due within one year	6	76,448	245,614
Cash at bank and in hand		75	89
		<u>176,107</u>	<u>245,703</u>
Creditors: amounts falling due within one year	7	<u>(174,258)</u>	<u>(354,818)</u>
Net current assets/(liabilities)		1,849	(109,115)
Creditors: amounts falling due after more than one year	7	<u>(57,500)</u>	<u>-</u>
		<u>70,027</u>	<u>30,881</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		<u>70,025</u>	<u>30,879</u>
Equity shareholders' funds	10	<u>70,027</u>	<u>30,881</u>

The accounts have been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board of directors on 17 July 2000 and were signed on its behalf by:



John Bostock
Director

Notes

(forming part of the financial statements)

1 Accounting convention

Accounting convention

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

Turnover

Turnover represents the amounts receivable for services provided, excluding value added tax.

Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates on a straight line basis:

Fixtures and fittings	-	25%
Leasehold improvements	-	over the period of the lease
Computer equipment	-	50%

Deferred taxation

Deferred taxation is calculated using the liability method and provision is made to the extent that it is probable that such tax will become payable in the foreseeable future.

Pension contributions

The company makes payments to a defined contribution pension scheme on behalf of certain of its employees. The amount charged against profits represents the contributions payable in respect of the accounting period.

Comparatives

Comparatives shown are for the period 1 April 1998 to 30 April 1999.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £	1999 £
Auditors' remuneration		
Audit	2,600	3,200
Accountancy services	7,400	5,450
Depreciation of fixed assets	66,674	51,274
Rentals under operating leases	239,000	188,299
	<hr/>	<hr/>

Notes *(continued)*

3 Directors and other employees

Staff costs include the following:

	2000 £	1999 £
Wages and salaries	789,968	542,682
Social security costs	87,870	55,522
Other pension costs	44,002	24,658
	<hr/> 921,840	<hr/> 622,862

The average number of administration staff employed by the company during the year was 14 (1999: 11).

The remuneration of the directors was as follows:

	2000 £	1999 £
Directors emoluments		
In respect of management services	297,042	242,497
Pension costs	29,097	21,900
	<hr/> 326,139	<hr/> 264,397

The highest paid director received emoluments of £143,387 in respect of management services and had £22,650 paid into a personal pension plan during the year.

The remaining two directors had contributions paid into a personal pension plan during the year.

4 Tax on profit on ordinary activities

	2000 £	1999 £
Based on the profit for the period:		
Corporation tax at 20% (1999: 21%)	136	4,000
Over-provision in prior year	(698)	(1,174)
	<hr/> (562)	<hr/> 2,826

Notes *(continued)*

5 Tangible fixed assets

	Fixtures, fittings and leasehold improvements	Computer equipment	Total
	£	£	£
Cost			
At 30 April 1999	144,871	69,927	214,798
Additions	18,751	33,605	52,356
	<hr/>	<hr/>	<hr/>
	163,622	103,532	267,154
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 30 April 1999	35,978	38,824	74,802
Charge for year	37,799	28,875	66,674
	<hr/>	<hr/>	<hr/>
	73,777	67,699	141,476
	<hr/>	<hr/>	<hr/>
Net book value			
30 April 2000	89,845	35,833	125,678
	<hr/>	<hr/>	<hr/>
30 April 1999	108,893	31,103	139,996
	<hr/>	<hr/>	<hr/>

6 Debtors

Amounts falling due within one year	2000	1999
	£	£
Trade debtors	33,335	69,713
Other debtors	-	100,540
Prepayments and accrued income	43,113	75,361
	<hr/>	<hr/>
	76,448	245,614
	<hr/>	<hr/>
Amounts falling due after more than one year	2000	1999
	£	£
Other debtors – lease deposit	99,584	-
	<hr/>	<hr/>

Notes (continued)

7 Creditors

	2000 £	1999 £
Amounts falling due within one year		
Bank loans and overdrafts	433	23,681
Trade creditors	43,806	60,093
Taxation and social security	43,710	79,250
Accruals and deferred income	86,309	191,794
	<hr/> 174,258 <hr/>	<hr/> 354,818 <hr/>
	2000 £	1999 £
Amounts falling due after more than one year		
Accruals and deferred income	57,500	-
	<hr/> 57,500 <hr/>	<hr/> - <hr/>

8 Operating leases

At 30 April 2000, the company had an annual commitment under a non-cancellable operating lease relating to land and buildings of £239,000. This lease expires on 24 March 2002.

9 Called up share capital

	2000 £	1999 £
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
Allotted and fully paid		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

Notes (continued)

10 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial period	39,146	28,882
Net addition to shareholders' funds	39,146	28,882
Opening shareholders' funds	30,881	1,999
Closing shareholders' funds	70,027	30,881

11 Related party transactions

The company's income is all derived from management charges invoiced for services provided to Alchemy Partners. It is the opinion of the directors that the collective Partnership of Alchemy Partners has overall control of the company. At 30 April 2000 Alchemy Partners owed the company £33,335.

12 Pensions

The company operates a defined contribution scheme in respect of certain of its employees. Contributions are charged in the accounts as stated in note 1 and there were outstanding contributions of £4,767 (1999: £nil) as at the balance sheet date. Pension costs charged in the year were £44,002 (1999: £24,658).

Unaudited detailed profit and loss account

for the year ended 30 April 2000

	2000	1999
	£	£
Administration charge income	1,469,000	1,239,050
Administration charges		
Wages	492,926	309,491
Other staff costs	5,853	9,859
Directors' remuneration	297,042	223,332
Employers NIC	87,870	55,522
Pension costs	44,002	24,658
Staff recruitment costs	28,426	13,125
Staff training	-	6,390
Rent and rates	195,057	183,245
Service charges	42,135	33,770
Insurance	819	6,414
Light and heat	4,257	3,602
Catering	29,790	21,871
Repairs	10,963	68,889
Maintenance contracts	1,741	2,261
Printers and computer equipment	20,875	18,932
Postage and delivery	15,496	14,927
Stationery, printing and reproduction	22,135	23,140
Publications and subscriptions	3,400	4,340
Advertising	-	9,902
Telephone	26,608	29,808
Cleaning	7,938	5,852
Travel and entertaining	17,027	32,800
Audit, accountancy etc	14,593	8,650
Legal and professional fees	2,296	41,706
Bank charges	811	950
Miscellaneous	2,651	4,102
Depreciation	66,674	51,274
Bank interest received	(302)	(1,468)
Total administration charges	(1,441,083)	(1,207,344)
Other operating income	10,667	-
Net profit	38,584	31,706