

**Alchemy Venture Partners Limited**

**Directors' report and financial  
statements**

**Registered number 3274858**

**30 April 2002**



## **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 2002.

### Principal activities

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

### Results and dividends

The profit for the period after taxation amounted to £35,474 (2001:£37,618).

The directors do not recommend the payment of a dividend (2001:£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:

R Barnes  
J Bostock  
P Casey  
G Loughrey (appointed 14 January 2002)  
J Newton  
B Stephens  
S Woodman

None of the directors in office at the end of the year held any beneficial interest in any shares in the company at any time during the year.


### 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.

### Auditors

The company's auditor, KPMG, has transferred its business to a limited liability partnership, KPMG LLP, incorporated under the Limited Liability Partnerships Act 2000. To comply with the formal requirements of the Companies Act 1985, KPMG has resigned and the directors have appointed KPMG LLP.

By order of the board



**Susan Woodman**  
Secretary

20 Bedfordbury  
London  
WC2N 4BL

5 August 2002

## **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.



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## **Report of the independent auditors to the members of Alchemy Venture 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 1985. 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG LLP**

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

5 August 2002

**Profit and loss account**  
*for the year ended 30 April 2002*

	<i>Note</i>	<b>2002</b> £	<b>2001</b> £
<b>Turnover</b>		<b>1,573,000</b>	1,651,000
Administrative expenses		(1,535,099)	(1,616,648)
Other operating income		-	6,000
<b>Operating profit</b>		<b>37,901</b>	40,352
Interest receivable and similar income		45	212
<b>Profit on ordinary activities before taxation</b>	2	<b>37,946</b>	40,564
Tax on profit on ordinary activities	4	(2,472)	(2,946)
<b>Profit for the financial year</b>		<b>35,474</b>	37,618
Retained profit brought forward		107,643	70,025
<b>Retained profit carried forward</b>		<b>143,117</b>	107,643

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 2002*

	<i>Note</i>	<b>2002</b>	<b>2001</b>
		£	£
<b>Fixed assets</b>			
Tangible assets	5	55,677	92,054
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	155,538	192,299
Cash at bank and in hand		21,705	26
		177,243	192,325
<b>Creditors: amounts falling due within one year</b>	7	(89,801)	(176,734)
<b>Net current assets/(liabilities)</b>		87,442	15,591
		143,119	107,645
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account		143,117	107,643
<b>Equity shareholders' funds</b>	10	143,119	107,645

These financial statements were approved by the board of directors on 5 August 2002 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 full provision basis in accordance with FRS 19.

#### *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 paid or payable in respect of the accounting period.

### 2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2002 £	2001 £
Auditors' remuneration		
Audit	3,000	3,000
Accountancy services	12,000	13,000
Depreciation of fixed assets	69,110	77,370
Rentals under operating leases	214,840	239,000



## Notes (continued)

### 3 Directors and other employees

Staff costs include the following:

	2002 £	2001 £
Wages and salaries	822,059	906,573
Social security costs	86,525	109,958
Other pension costs	62,134	55,588
	<u>970,718</u>	<u>1,072,119</u>

The average number of administration staff employed by the company during the year was 15 (2001: 15).

The remuneration of the directors was as follows:

	2002 £	2001 £
Directors' emoluments		
In respect of management services	315,172	321,329
Pension costs	39,637	32,403
	<u>354,809</u>	<u>353,732</u>

The highest paid director received emoluments of £140,461 in respect of management services and had £28,620 paid into a personal pension plan during the year.

Two of the remaining directors had contributions paid into a personal pension plan during the year.

### 4 Tax on profit on ordinary activities

	2002 £	2001 £
Based on the profit for the period:		
Corporation tax at 20% (2001: 20%)	2,876	3,082
Over-provision in prior year	(404)	(136)
	<u>2,472</u>	<u>2,946</u>

**Notes (continued)**

**5 Tangible fixed assets**

	<b>Fixtures, fittings and leasehold improvements £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<i><b>Cost</b></i>			
At 30 April 2001	165,456	88,182	253,638
Additions	1,200	31,533	32,733
Disposals	-	(3,135)	(3,135)
	<hr/> 166,656	<hr/> 116,580	<hr/> 283,236
<i><b>Accumulated depreciation</b></i>			
At 30 April 2001	107,716	53,868	161,584
Charge for year	35,611	33,499	69,110
Disposals	-	(3,135)	(3,135)
	<hr/> 143,327	<hr/> 84,232	<hr/> 227,559
<i><b>Net book value</b></i>			
<b>30 April 2002</b>	<hr/> <b>23,329</b>	<hr/> <b>32,348</b>	<hr/> <b>55,677</b>
 30 April 2001	 <hr/> 57,740	 <hr/> 34,314	 <hr/> 92,054

**6 Debtors**

<b>Amounts falling due within one year</b>	<b>2002 £</b>	<b>2001 £</b>
Trade debtors	4,004	54,657
Other debtors – lease deposit	99,584	99,584
Prepayments and accrued income	51,950	38,058
	<hr/> <b>155,538</b>	<hr/> <b>192,299</b>

## Notes (continued)

### 7 Creditors

	2002 £	2001 £
<b>Amounts falling due within one year</b>		
Bank loans and overdrafts	-	29,054
Trade creditors	14,003	16,766
Taxation and social security	38,224	50,796
Accruals and deferred income	37,574	80,118
	<hr/> 89,801 <hr/>	<hr/> 176,734 <hr/>

### 8 Operating leases

The company's annual commitment under a non-cancellable operating lease relating to land and buildings expired on 24 March 2002. The company intends to renew the lease and at 30 April 2002 remained in negotiation with the landlord.

At 5 August 2002, a new lease agreement was under negotiation.

### 9 Called up share capital

	2002 £	2001 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

## Notes (continued)

### 10 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	35,474	37,618
Net addition to shareholders' funds	35,474	37,618
Opening shareholders' funds	107,645	70,027
Closing shareholders' funds	143,119	107,645

### 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 2002 Alchemy Partners owed the company £4,004. R Barnes, a director of the company, was a partner of Alchemy Partners.

### 12 Pensions

The company provides pension contributions to certain of its employees' individual personal pension schemes. Contributions are charged in the accounts as stated in note 1 and there were no outstanding contributions at the balance sheet date (2001: *£nil*). Pension costs charged in the year were £62,134 (2001: £55,588).

### 13 Ultimate parent undertaking

100% of the issued share capital of the company is held by the collective partnership of Alchemy Partners. On 1 July 2002, Alchemy Partners transferred its business and assets to Alchemy Partners LLP as a going concern, including its holding in the company. From 1 July 2002, Alchemy Partners LLP is the ultimate parent undertaking.

**Unaudited detailed profit and loss account**  
*for the year ended 30 April 2002*

	2002	2001
£	£	£
<b>Administration charge income</b>	<b>1,573,000</b>	<b>1,651,000</b>
<b>Administration charges</b>		
Wages	506,887	585,244
Other staff costs	14,403	12,023
Directors' remuneration	315,172	321,329
Employers NIC	86,525	109,958
Pension costs	62,134	55,588
Staff recruitment costs	18,333	3,146
Staff training	7,983	2,685
Rent and rates	222,156	213,556
Service charges	31,369	46,717
Insurance	2,813	2,743
Light and heat	4,392	4,263
Catering	31,550	31,713
Repairs	1,067	9,334
Maintenance contracts	2,637	2,594
Printers and computer equipment	20,400	23,769
Postage and delivery	17,619	16,014
Stationery, printing and reproduction	32,334	25,594
Publications and subscriptions	1,083	1,568
Telephone	26,756	29,769
Cleaning	8,410	8,354
Travel and entertaining	11,935	7,046
Audit, accountancy etc	16,557	21,116
Legal and professional fees	21,117	3,063
Bank charges	911	1,041
Miscellaneous	1,446	1,051
Depreciation	69,110	77,370
Bank interest received	(45)	(212)
<b>Total administration charges</b>	<b>(1,535,054)</b>	<b>(1,616,436)</b>
Other operating income	-	6,000
<b>Net profit</b>	<b>37,946</b>	<b>40,564</b>