

**Alchemy Venture Partners Limited**

**Directors' report and financial  
statements**

**Registered number 3274858  
For the Year Ended 30 June 2011**

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**Macfarlanes LLP  
20 Cursitor Street  
London  
EC4A 1LT**

## **Directors' report and financial statements**

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## Directors' report

### Principal activities and business review

The principal activity of the company is that of a services company

The Directors are satisfied with the results for the year, being in line with expectations. As planned, services provided to group companies continued during the year as the group diversified. This was the fourth year in which a full year's contribution was received from the Special Opportunities investment management business, and the Directors look forward to growth in this area in the coming years.

### Results and dividends

The profit for the year after taxation amounted to £87,464 (30 June 2010 £80,049)

The directors declared and paid a dividend of £60,000 during the year (30 June 2010 £240,000)

### Directors

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

S Bodger (Resigned 1 November 2010)  
G Loughrey  
J Newton  
D Rimmer (Resigned 1 November 2010)  
J Rowland  
S Woodman (Resigned 12 August 2011)

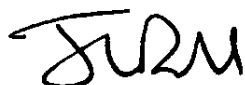
### Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

### Disclosure of information to auditors

The directors who held office at the date of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



John Rowland  
Secretary

25 Bedford Street  
London WC2E 9ES  
25 October 2011

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**KPMG LLP**  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

### **Independent auditor's report to the members of Alchemy Venture Partners Limited**

We have audited the financial statements of Alchemy Venture Partners Limited for the year ended 30 June 2011, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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 directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 30 June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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



**Vincent Neate (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

**25 October 2011**

**Profit and loss account**  
*for the year ended 30 June 2011*

	<i>Note</i>	<b>Year to 30 June 2011 £</b>	<b>Year to 30 June 2010 £</b>
<b>Turnover</b>		<b>4,281,850</b>	4,865,669
Administrative expenses		<b>(4,178,705)</b>	(4,750,432)
<b>Operating profit</b>		<b>103,145</b>	115,237
Other income		<b>35,984</b>	3,310
<b>Profit on ordinary activities before taxation</b>	<b>2</b>	<b>139,129</b>	118,547
Tax on profit on ordinary activities	<b>4</b>	<b>(51,665)</b>	(38,498)
<b>Profit for the financial year</b>		<b>87,464</b>	80,049

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical equivalents

There were no recognised gains or losses other than those passing through the profit and loss account, and so no separate statement of recognised gains and losses has been prepared


All of the results shown in the above profit and loss account are from continuing operations

The notes on pages 7 to 11 form part of these financial statements

**Balance sheet**  
*at 30 June 2011*

	<i>Note</i>	<b>30 June 2011</b>	<b>30 June 2010</b>
		£	£
<b>Fixed assets</b>			
Tangible assets	5	191,429	274,197
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	1,088,637	753,895
Cash at bank and in hand		14,263	23,480
		1,102,900	777,375
<b>Creditors: amounts falling due within one year</b>	7	(1,253,455)	(1,038,162)
<b>Net current liabilities</b>		(150,555)	(260,787)
<b>Total assets less current liabilities</b>		40,874	13,410
<b>Net assets</b>		40,874	13,410
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account		40,872	13,408
<b>Shareholder's funds</b>	9	40,874	13,410

These financial statements were approved by the board of directors on 25 October 2011 and were signed on its behalf by

  
**Gavin Loughrey**  
*Director*

The notes on pages 7 to 11 form part of these financial statements



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *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 tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Any deferred tax balance has not been discounted.

#### *Financial instruments*

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. Gains or losses on financial assets and liabilities are recognised in the profit and loss account.

Liabilities are recognised at inception at fair value of the proceeds received, net of directly attributable transaction costs, and are carried at amortised cost using the effective interest method. Finance costs are recognised in the profit and loss account.

#### *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.

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease. Operating lease rental income is credited to the profit and loss account as it falls due.

## Notes (continued)

### 2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	Year to 30 June 2011 £	Year to 30 June 2010 £
Auditor's remuneration		
Audit	17,000	16,500
Tax	6,500	5,500
Depreciation and other amounts written off tangible fixed assets	99,565	144,872
	<u>          </u>	<u>          </u>

### 3 Directors and other employees

Staff costs including directors are as follows

	Year to 30 June 2011 £	Year to 30 June 2010 £
Wages and salaries	2,196,049	2,638,620
Social security costs	276,004	306,316
Other pension costs	94,045	105,233
	<u>          </u>	<u>          </u>
	2,566,098	3,050,169
	<u>          </u>	<u>          </u>

The average number of staff employed by the company during the year was 18 (2010 22)

There were six directors in office during the year (2010 six) No directors received any payments for their services (2010 nil)

### 4 Tax on profit on ordinary activities

#### Analysis of charge in period

	Year to 30 June 2011 £	Year to 30 June 2010 £
<i>UK corporation tax</i>		
Current tax on income for the period	56,571	52,913
Adjustment in respect of prior periods	(414)	(111)
	<u>          </u>	<u>          </u>
Total current tax	56,157	52,802
<i>Deferred tax</i>		
Origination of timing differences	(4,492)	(14,304)
	<u>          </u>	<u>          </u>
Total deferred tax	(4,492)	(14,304)
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	51,665	38,498
	<u>          </u>	<u>          </u>

## Notes (continued)

### 4 Tax on profit on ordinary activities (continued)

#### Factors affecting the tax charge for the current period

The current tax charge for the period is higher than the standard rate of corporation tax in the UK (26%, 2010 28%)  
The differences are explained below

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	139,129	118,547
Current tax at 27.50% (2010 28%)	38,260	33,193
<i>Effects of</i>		
Expenses not deductible for tax purposes	13,386	6,257
Depreciation for period in excess of capital allowances	6,824	13,771
Other timing differences	(1,899)	(308)
Adjustment in respect of prior period	(414)	(111)
Total current tax charge (see above)	56,157	52,802

The main rate of corporation tax decreased from 28% to 26% from 1 April 2011. However, where a company has an accounting period that straddles this date, the profit determined for the year should be split between the period before and after 1 April 2011 on a pro rata basis. This has resulted in Alchemy Venture Partners Limited having an effective tax rate of 27.5% for the year ended 30 June 2011.

### 5 Tangible fixed assets

	Fixtures, fittings and leasehold improvements £	Computer equipment £	Total £
<i>Cost</i>			
At 30 June 2010	401,383	177,851	579,234
Additions	1,650	15,147	16,797
Disposals	-	(2,288)	(2,288)
	403,033	190,710	593,743
<i>Accumulated depreciation</i>			
At 30 June 2010	153,655	151,382	305,037
Charge for the year	74,883	24,682	99,565
Disposals	-	(2,288)	(2,288)
	228,538	173,776	402,314
<i>Net book value</i>			
30 June 2011	174,495	16,934	191,429
30 June 2010	247,728	26,469	274,197

## Notes (continued)

### 6 Debtors: Amounts falling due within one year

	30 June 2011 £	30 June 2010 £
Trade debtors	689,636	8,059
Other debtors	-	240,480
Deferred tax asset	28,600	24,108
Prepayments and accrued income	370,401	481,248
	<u>1,088,637</u>	<u>753,895</u>

### 7 Creditors: Amounts falling due within one year

	30 June 2011 £	30 June 2010 £
Amounts due to Group undertakings	359,546	579,142
Trade creditors	186,912	300,749
Taxation and social security	73,253	96,268
Accruals and deferred income	633,744	62,003
	<u>1,253,455</u>	<u>1,038,162</u>

### 8 Called up share capital

	30 June 2011 £	30 June 2010 £
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 9 Reconciliation of movements in shareholder's funds

	30 June 2011 £	30 June 2010 £
Profit for the financial period	87,464	80,049
Dividend paid	(60,000)	(240,000)
	<u>27,464</u>	<u>(159,951)</u>
Net addition/(reduction) to shareholders' funds	27,464	(159,951)
Opening shareholder's funds	13,410	173,361
	<u>40,874</u>	<u>13,410</u>
Closing shareholder's funds		

## **Notes (continued)**

### **10 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 £2,515 (30 June 2010 £9,431) of contributions outstanding at the balance sheet date. Pension costs charged in the period were £94,045 (2010 £105,233).

### **11 Cash flow statement**

As permitted by Financial Reporting Standard No 1 (revised), the company is exempt from the requirement to prepare a cash flow statement by virtue of the fact it is 100% owned by a Group undertaking that produces a consolidated cash flow statement.

### **12 Related party transactions**

Under Financial Reporting Standard No 8, the company is exempt from disclosing transactions within the Group as it is wholly owned by that Group whose consolidated financial statements, which include the company's results, are publicly available.

### **13 Ultimate parent undertaking**

The company is a wholly owned subsidiary undertaking of Alchemy Partners LLP, a limited liability partnership incorporated in Great Britain and registered in England and Wales. The consolidated Group accounts of Alchemy Partners LLP are available to the public and may be obtained from 25 Bedford Street, London, WC2E 9ES.

Alchemy Partners LLP is the company's controlling and ultimate controlling party.