

Alchemy Venture Partners Limited

**Directors' report and financial
statements**

**Registered number 3274858
For the Year Ended 30 June 2009**

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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 to increase during the year as the group diversified. This was the second 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 £139,578 (30 June 2008: £68,604).

The directors declared and paid a dividend of £80,000 during the year (30 June 2008: £65,000).

Directors

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

S Bodger
G Loughrey
J Newton
D Rimmer
J Rowland
S Woodman

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



Susan Woodman
Secretary

25 Bedford Street
London
WC2E 9ES
1 October 2009

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 2009, 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 sections 495 and 496 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 auditors

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 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/UKNP.

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 2009 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 Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

1 October 2009

Profit and loss account
for the year ended 30 June 2009

	<i>Note</i>	Year to 30 June 2009 £	Year to 30 June 2008 £
Turnover		5,069,705	4,383,254
Administrative expenses		(4,942,885)	(4,277,200)
Operating profit		126,821	106,054
Interest receivable and similar income		100,545	918
Profit on ordinary activities before taxation	2	227,366	106,972
Tax on profit on ordinary activities	4	(87,788)	(38,368)
Profit for the financial year		139,578	68,604

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.

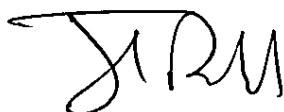
All of the results shown in the above profit and loss account are from continuing operations.

The notes on pages 7 to 12 form part of these financial statements

Balance sheet
at 30 June 2009

	<i>Note</i>	30 June 2009	30 June 2008
		£	£
Fixed assets			
Tangible assets	5	399,639	403,785
Current assets			
Debtors: amounts falling due within one year	6	1,016,034	943,088
Cash at bank and in hand		-	99,618
		1,016,034	1,042,706
Creditors: amounts falling due within one year	7	(1,242,312)	(1,322,810)
Net current assets		(226,278)	(280,104)
Total assets less current liabilities		173,361	123,681
Provisions for liabilities and charges	8	-	(9,898)
Net assets		173,361	113,783
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		173,359	113,781
Shareholders' funds	11	173,361	113,783

These financial statements were approved by the board of directors on 1 October 2009 and were signed on its behalf by:



John Rowland
Director

The notes on pages 7 to 12 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. The 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.

Notes (continued)

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Year to 30 June 2009 £	Year to 30 June 2008 £
Auditor's remuneration:		
Audit	16,500	15,750
Tax	11,100	5,250
Depreciation and other amounts written off tangible fixed assets	147,881	42,184
Rentals under operating leases	27,353	323,135
	<u> </u>	<u> </u>

3 Directors and other employees

Staff costs including directors are as follows:

	Year to 30 June 2009 £	Year to 30 June 2008 £
Wages and salaries	2,726,467	2,327,556
Social security costs	326,269	291,305
Other pension costs	92,345	124,225
	<u> </u>	<u> </u>
	3,145,081	2,743,086
	<u> </u>	<u> </u>

The average number of staff employed by the company during the year was 24 (2008: 21).

The remuneration of the directors was as follows:

	Year to 30 June 2009 £	Year to 30 June 2008 £
Directors' emoluments		
In respect of management services	-	494,739
Pension costs	-	65,933
Amounts paid to third parties in respect of directors' services	-	1,250
	<u> </u>	<u> </u>

Directors emoluments are only shown for the period for which they held office. The highest paid director received emoluments of £nil (2008: £179,641) in respect of management services and had £nil (2008: £48,438) paid into a personal pension plan during the year.

Notes (continued)

4 Tax on profit on ordinary activities

Analysis of charge in period

	Year to 30 June 2009		Year to 30 June 2008	
	£	£	£	£
<i>UK corporation tax</i>				
Current tax on income for the period	102,438		12,812	
Adjustment in respect of prior periods	5,052		1,882	
Total current tax		107,490		14,694
<i>Deferred tax</i>				
Origination of timing differences	(19,702)		23,674	
Total deferred tax		(19,702)		23,674
Tax on profit on ordinary activities		87,788		38,368

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 (28%; 2008:28%). The differences are explained below.

	2009 £	2008 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	227,366	106,972
Current tax at 28% (2008: 28%)	63,662	29,952
<i>Effects of:</i>		
Expenses not deductible for tax purposes	23,850	5,835
Depreciation for period in excess of capital allowances	11,977	(20,200)
Other timing differences	2,949	(3,427)
Profits arising pre 1 April 2008 being taxed at 30%	-	652
Adjustment in respect of prior period	5,052	-
Total current tax charge (see above)	107,490	12,812

Notes (continued)

5 Tangible fixed assets

	Fixtures, fittings and leasehold improvements £	Computer equipment £	Total £
<i>Cost</i>			
At 30 June 2008	510,131	251,315	761,446
Additions	62,747	92,987	155,734
Disposals	(146,968)	(143,918)	(290,886)
	<u>425,910</u>	<u>200,384</u>	<u>626,294</u>
<i>Accumulated depreciation</i>			
At 30 June 2008	170,018	187,644	357,662
Charge for the year	74,987	63,443	138,430
Disposals	(141,097)	(128,340)	(269,437)
	<u>103,908</u>	<u>122,747</u>	<u>226,655</u>
<i>Net book value</i>			
30 June 2009	<u>322,002</u>	<u>77,637</u>	<u>399,639</u>
30 June 2008	<u>340,113</u>	<u>63,672</u>	<u>403,785</u>

6 Debtors: Amounts falling due within one year

	30 June 2009 £	30 June 2008 £
Amounts due from Group undertakings	588,809	575,770
Trade debtors	37,027	5,633
Other debtors	69,722	138,012
Deferred tax asset	9,804	-
Taxation and social security	-	1,445
Prepayments and accrued income	310,672	222,228
	<u>1,016,034</u>	<u>943,088</u>

7 Creditors: Amounts falling due within one year

	30 June 2009 £	30 June 2008 £
Bank loans and overdrafts	1,393	-
Amounts due to Group undertakings	210,465	242,302
Trade creditors	211,308	561,207
Taxation and social security	165,065	51,064
Accruals and deferred income	654,081	468,237
	<u>1,242,312</u>	<u>1,322,810</u>

Notes (continued)

8 Provisions for liabilities and charges

	30 June 2009 £	30 June 2008 £
Deferred tax liability	-	9,898
	<u> </u>	<u> </u>

The deferred tax liability relates to capital allowances claimed in excess of depreciation charged.

9 Operating leases

The company has annual commitments under non-cancellable operating leases as set out below:

	2009 Land and buildings £	Other £	2008 Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	-	18,942	-
In the second to fifth years inclusive	-	-	-	-
Over five years	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	18,942	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10 Called up share capital

	30 June 2009 £	30 June 2008 £
<i>Authorised</i>		
100,000 ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

11 Reconciliation of movements in shareholders' funds

	30 June 2009 £	30 June 2008 £
Profit for the financial period	139,578	68,604
Dividend paid	(80,000)	(65,000)
	<u> </u>	<u> </u>
Net addition to shareholders' funds	59,578	3,604
Opening shareholders' funds	113,783	110,179
	<u> </u>	<u> </u>
Closing shareholders' funds	173,361	113,783
	<u> </u>	<u> </u>

Notes (continued)

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 £10,533 (30 June 2008: £nil) of contributions outstanding at the balance sheet date. Pension costs charged in the period were £92,345 (2008: £124,225).

13 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.

14 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.

15 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.

Unaudited detailed profit and loss account
for the year ended 30 June 2009

	Year to 30 June 2009		Year to 30 June 2008	
	£	£	£	£
Administration charge income		5,069,705		4,383,254
Other income		100,000		-
Administration charges				
Wages	2,726,467		1,831,567	
Other staff costs	58,748		43,021	
Directors' remuneration	-		495,989	
Employers NIC	326,269		291,305	
Pension costs	92,345		124,225	
Staff recruitment costs	6,529		323,542	
Staff training	23,552		11,611	
Rent and rates	797,795		429,052	
Service charges	78,669		83,422	
Insurance	14,569		11,256	
Light and heat	11,943		7,738	
Catering	60,010		36,373	
Repairs	619		9,153	
Maintenance contracts	3,871		2,801	
Printers and computer equipment	208,269		171,403	
Postage and delivery	7,371		6,218	
Stationery, printing and reproduction	70,694		49,123	
Advertising/PR	12,575		6,726	
Publications and subscriptions	65,590		97,373	
Telephone	38,234		40,117	
Cleaning	13,675		9,701	
Travel and entertaining	31,239		56,592	
Audit, accountancy etc	63,971		73,347	
Legal and professional fees	77,517		20,243	
Bank charges	1,139		851	
Miscellaneous	3,317		2,172	
Depreciation	138,499		42,184	
Fixed asset write offs	9,382		-	
Bank interest received	(545)		(918)	
Bank interest paid	27		97	
Total administration charges		(4,942,339)		(4,276,281)
Net profit before taxation		227,366		106,972