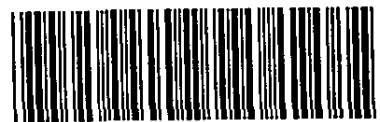


Alchemy Venture Partners Limited

**Directors' report and financial
statements**

**Registered number 3274858
For the Year Ended 30 June 2010**

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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 during the year as the group diversified. This was the third 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 £80,049 (*30 June 2009 £139,578*)

The directors declared and paid a dividend of £240,000 during the year (*30 June 2009 £80,000*)

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

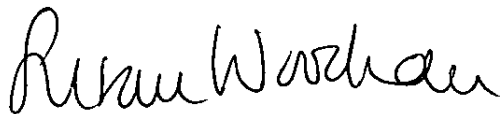
Auditors

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
21 October 2010

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.

ABCD

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 2010, 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 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 2010 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

21 October 2010

Profit and loss account
for the year ended 30 June 2010

	<i>Note</i>	Year to 30 June 2010 £	Year to 30 June 2009 £
Turnover		4,865,669	5,069,705
Administrative expenses		(4,750,432)	(4,942,885)
Operating profit		115,237	126,821
Interest receivable and similar income		3,310	100,545
Profit on ordinary activities before taxation	2	118,547	227,366
Tax on profit on ordinary activities	4	(38,498)	(87,788)
Profit for the financial year		80,049	139,578

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

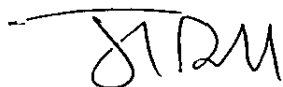
All of the results shown in the above profit and loss account are from continuing operations

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

Balance sheet
at 30 June 2010

	<i>Note</i>	30 June 2010	30 June 2009
		£	£
Fixed assets			
Tangible assets	5	274,197	399,639
Current assets			
Debtors amounts falling due within one year	6	753,895	1,016,034
Cash at bank and in hand		23,480	-
		777,375	1,016,034
Creditors, amounts falling due within one year	7	(1,038,162)	(1,242,312)
Net current liabilities		(260,787)	(226,278)
Total assets less current liabilities		13,410	173,361
Net assets		13,410	173,361
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		13,408	173,359
Shareholder's funds	9	13,410	173,361

These financial statements were approved by the board of directors on 21 October 2010 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. 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.

Notes (continued)

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	Year to 30 June 2010 £	Year to 30 June 2009 £
Auditor's remuneration		
Audit	16,500	16,500
Tax	5,500	11,100
Depreciation and other amounts written off tangible fixed assets	144,872	147,881
Rentals under operating leases	-	27,353
	<u>166,872</u>	<u>194,834</u>

3 Directors and other employees

Staff costs including directors are as follows

	Year to 30 June 2010 £	Year to 30 June 2009 £
Wages and salaries	2,638,620	2,726,467
Social security costs	306,316	326,269
Other pension costs	105,233	92,345
	<u>3,050,169</u>	<u>3,145,081</u>

The average number of staff employed by the company during the year was 22 (2009 24)

There were six directors in office during the year (2009 Six) No directors received any payments for their services (2009 Nil)

4 Tax on profit on ordinary activities

Analysis of charge in period

	Year to 30 June 2010 £	Year to 30 June 2009 £
<i>UK corporation tax</i>		
Current tax on income for the period	52,913	102,438
Adjustment in respect of prior periods	(111)	5,052
	<u>52,802</u>	<u>107,490</u>
<i>Deferred tax</i>		
Origination of timing differences	(14,304)	(19,702)
	<u>(14,304)</u>	<u>(19,702)</u>
Total deferred tax	(14,304)	(19,702)
Tax on profit on ordinary activities	<u>38,498</u>	<u>87,788</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 (28%, 2009 28%)
The differences are explained below

	2010 £	2009 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	118,547	227,366
Current tax at 28% (2009 28%)	33,193	63,662
<i>Effects of</i>		
Expenses not deductible for tax purposes	6,257	23,850
Depreciation for period in excess of capital allowances	13,771	11,977
Other timing differences	(308)	2,949
Adjustment in respect of prior period	(111)	5,052
Total current tax charge (see above)	52,802	107,490

5 Tangible fixed assets

	Fixtures, fittings and leasehold improvements £	Computer equipment £	Total £
<i>Cost</i>			
At 30 June 2009	425,910	200,384	626,294
Additions	222	19,209	19,431
Disposals	(24,749)	(41,742)	(66,491)
	401,383	177,851	579,234
<i>Accumulated depreciation</i>			
At 30 June 2009	103,908	122,747	226,655
Charge for the year	74,495	70,377	144,872
Disposals	(24,748)	(41,742)	(66,490)
	153,655	151,382	305,037
<i>Net book value</i>			
30 June 2010	247,728	26,469	274,197
30 June 2009	322,002	77,637	399,639

Notes (continued)

6 Debtors: Amounts falling due within one year

	30 June 2010	30 June 2009
	£	£
Amounts due from Group undertakings	-	588,809
Trade debtors	8,059	37,027
Other debtors	240,480	69,722
Deferred tax asset	24,108	9,804
Prepayments and accrued income	481,248	310,672
	<u>753,895</u>	<u>1,016,034</u>

7 Creditors: Amounts falling due within one year

	30 June 2010	30 June 2009
	£	£
Bank loans and overdrafts	-	1,393
Amounts due to Group undertakings	579,142	210,465
Trade creditors	300,749	211,308
Taxation and social security	96,268	165,065
Accruals and deferred income	62,003	654,081
	<u>1,038,162</u>	<u>1,242,312</u>

8 Called up share capital

	30 June 2010	30 June 2009
	£	£
<i>Authorised</i>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<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 2010	30 June 2009
	£	£
Profit for the financial period	80,049	139,578
Dividend paid	(240,000)	(80,000)
Net (reduction)/addition to shareholders' funds	<u>(159,951)</u>	<u>59,578</u>
Opening shareholder's funds	173,361	113,783
Closing shareholder's funds	<u>13,410</u>	<u>173,361</u>

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 £9,431 (*30 June 2009* £10,533) of contributions outstanding at the balance sheet date. Pension costs charged in the period were £105,233 (*2009* £92,345).

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.

Unaudited detailed profit and loss account
for the year ended 30 June 2010

	Year to 30 June 2010		Year to 30 June 2009	
	£	£	£	£
Administration charge income		4,865,669		5,069,705
Other income		2,207		100,000
Administration charges				
Wages	2,638,620		2,726,467	
Other staff costs	64,877		58,748	
Directors' remuneration	-		-	
Employers NIC	306,316		326,269	
Pension costs	105,233		92,345	
Staff recruitment costs	25,800		6,529	
Staff training	10,227		23,552	
Rent and rates	783,827		797,795	
Service charges	104,848		78,669	
Insurance	16,606		14,569	
Light and heat	15,023		11,943	
Catering	44,259		60,010	
Repairs	888		619	
Maintenance contracts	3,374		3,871	
Printers and computer equipment	196,770		208,269	
Postage and delivery	7,147		7,371	
Stationery, printing and reproduction	68,736		70,694	
Advertising/PR	4,541		12,575	
Publications and subscriptions	57,882		65,590	
Telephone	33,336		38,234	
Cleaning	13,861		13,675	
Travel and entertaining	29,970		31,239	
Audit, accountancy etc	56,186		63,971	
Legal and professional fees	14,560		77,517	
Bank charges	920		1,139	
Miscellaneous	1,266		3,317	
Depreciation	144,872		138,499	
Fixed asset write offs	-		9,382	
Bank interest received	(1,103)		(545)	
Bank interest paid	486		27	
Total administration charges		(4,749,328)		(4,942,339)
Net profit before taxation		118,548		227,366