

Alchemy Venture Partners Limited

**Directors' report and financial
statements**

**Registered number 3274858
For the Year Ended 30 June 2017**



**MACFARLANES LLP
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LONDON
EC4A 1LT**

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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. These group companies continue to trade satisfactorily with services provided on an ongoing basis.

In accordance with the Pensions Act 2008, the company set up a qualifying work place pension scheme through Royal London effective from 1 January 2017, into which all eligible employees were auto-enrolled. Contributions into the work place pension are equal to or above the minimum provided by the Pension Regulations. Staff are able to "opt out" of this scheme with the company contributing to Personal Pension Plans where applicable.

Results and dividends

The profit for the year after taxation amounted to £230,400 (30 June 2016: £227,886).

The directors declared and paid total dividends of £250,000 during the year (30 June 2016: £475,000).

Directors

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

J Rowland
I Cash
F Prakke

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to auditor

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 auditor is 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 auditor.

By order of the board


John Rowland
Director

21 Palmer Street
London
SW1H 0AD
29 September 2017

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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 judgements 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.

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

Opinion

We have audited the financial statements of Alchemy Venture Partners Limited ("the company") for the year ended 30 June 2017, which comprise the Balance Sheet, the Statement of Income and Retained Earnings and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditor's 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.



Jonathan Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

29 September 2017

Statement of Income and Retained Earnings
for the year ended 30 June 2017

	<i>Note</i>	Year to 30 June 2017 £	Year to 30 June 2016 £
Turnover	<i>1</i>	4,037,732	3,960,441
Administrative expenses		(3,738,641)	(3,667,075)
Operating profit		299,091	293,366
Interest Income		345	219
Profit on ordinary activities before taxation	<i>2</i>	299,436	293,585
Tax on profit on ordinary activities	<i>4</i>	(69,036)	(65,699)
Profit for the financial year		230,400	227,886
Dividends paid		(250,000)	(475,000)
Retained earnings at start of year		114,166	361,280
Retained earnings at end of year		94,566	114,166

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 other items of comprehensive income for the year and therefore the profit for the year is also the total comprehensive income for the year.

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.

Statement of Financial Position

At 30 June 2017

	Note	30 June 2017	30 June 2016
		£	£
Current assets			
Debtors: amounts falling due within one year	5	407,186	1,026,273
Cash at bank and in hand		1,175,692	351,844
		<u>1,582,878</u>	<u>1,378,117</u>
Current liabilities			
Creditors: amounts falling due within one year	6	(1,488,310)	(1,263,949)
		<u>(1,488,310)</u>	<u>(1,263,949)</u>
Net current assets		<u>94,568</u>	<u>114,168</u>
Total assets less current liabilities		<u>94,568</u>	<u>114,168</u>
Net assets		<u>94,568</u>	<u>114,168</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		94,566	114,166
Shareholder's funds	8	<u>94,568</u>	<u>114,168</u>

The accounts have been prepared in accordance with the special provisions in part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the board of directors on 29 September 2017 and were signed on its behalf by:


John Rowland
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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice). The financial statements will be prepared in accordance with the small entities regime, Section 1A, under Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in September 2015.

The accounts have been prepared on a going concern basis.

Turnover

Turnover represents the amounts receivable for investment advisory and support services, excluding value added tax, provided to Alchemy Partners LLP and Alchemy Special Opportunities LLP. The investment advisory function is performed by investment professionals who are responsible for assisting with implementing the strategy for potential investments and for monitoring the performance of investments. The Support function provides back office services.

Current & Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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.

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.

Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the Balance Sheet date.

Dividends

Dividends are only recognised as a liability to the extent that they are declared prior to the year end.

Cashflow

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of the small entities regime, Section 1A, Financial Reporting Standard 102.

Notes (continued)

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Year to 30 June 2017	Year to 30 June 2016
£	£	
Auditor's remuneration:		
Audit	16,500	16,300
Tax	6,750	6,750
	<u>23,250</u>	<u>23,050</u>

3 Directors and other employee

Staff costs including directors are as follows:

	Year to 30 June 2017	Year to 30 June 2016
	£	£
Wages and salaries	2,614,567	2,383,126
Social security costs	374,927	304,820
Other pension costs	114,900	102,649
	<u>3,104,394</u>	<u>2,790,595</u>

The average number of staff employed by the company during the year was 18 (2016: 17).

There were three directors in office during the year (2016: four). No directors received any payments for their services (2016: nil).

Notes (continued)

4 Tax on profit on ordinary activities

Analysis of charge in period

	Year to 30 June 2017		Year to 30 June 2016	
	£	£	£	£
<i>UK corporation tax</i>				
Current tax on income for the period	69,099		60,654	
Adjustment in respect of prior periods	(88)		(310)	
Balancing payments received	-		-	
Total current tax		69,011		60,344
<i>Deferred tax</i>				
Origination of timing differences	25		5,355	
Total deferred tax		25		5,355
Tax on profit on ordinary activities		69,036		65,699

Factors affecting the tax charge for the current period

The current tax charge of 19.75% (2016: 20%) for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below.

	2017 £	2016 £
<i>Reconciliation of effective tax rate</i>		
Profit on ordinary activities before tax	299,436	293,585
Tax at 19.75% (2016: 20%)	59,139	58,717
<i>Effects of:</i>		
Expenses not deductible for tax purposes	9,031	7,292
Capital allowances for period in excess of depreciation	(3,543)	(4,297)
Other timing differences	4,472	(1,058)
Balancing payments received	-	-
Adjustment in respect of prior period	(88)	(310)
Origination of timing differences in respect of deferred tax	25	5,355
Total tax expense included in profit and loss	69,036	65,699

The main rate of corporation tax has reduced from 20% to 19% effective from 1 April 2017 as a result of Finance No.2 Bill 2015 which was substantively enacted on 26 October 2015 and enacted on 18 November 2015. In addition, Finance Bill 2016 was substantively enacted on 6 September 2016 and enacted on 15 September 2016 and further reduced the tax rate to 17% effective from 1 April 2020. These changes will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 June 2017 has been calculated using a tax rate of 19%, effective from 1 April 2017. The current UK corporate tax rate that has been used for the year is an effective rate of 19.75% based on a corporation tax rate of 20% to 31 March 2017 and 19% from 1 April 2017.

Notes (continued)

5 Debtors: Amounts falling due within one year

	30 June 2017	30 June 2016
	£	£
Trade debtors	-	14
Amounts due from Group undertakings	168,088	676,608
Other debtors	126,695	114,732
Deferred tax asset	24,126	24,455
Prepayments and accrued income	88,277	210,464
	<u>407,186</u>	<u>1,026,273</u>

Deferred tax asset is based on taxation treatment of fixed assets purchased by the company in previous years. All fixed assets were either written off or acquired by a group entity at net book value in the year ended 30 June 2012.

6 Creditors: Amounts falling due within one year

	30 June 2017	30 June 2016
	£	£
Trade creditors	103,967	46,649
Taxation and social security	69,099	83,724
Accruals and deferred income	1,315,244	1,133,576
	<u>1,488,310</u>	<u>1,263,949</u>

7 Called up share capital

	30 June 2017	30 June 2016
	£	£
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8 Reconciliation of movements in shareholder's funds

	30 June 2017	30 June 2016
	£	£
Profit for the financial period	230,400	227,886
Dividend paid	(250,000)	(475,000)
	<u>(19,600)</u>	<u>(247,114)</u>
Net increase to shareholder's funds	114,168	361,282
Opening shareholder's funds	<u>94,568</u>	<u>114,168</u>
Closing shareholder's funds	<u>94,568</u>	<u>114,168</u>

9 Pensions

In accordance with the Pensions Act 2008, the company set up a qualifying work place pension scheme effective from 1st January 2017, into which all eligible employees were auto-enrolled. Contributions into the work place pension are equal to or above the minimum provided by the Pension Regulations. Staff are able to "opt out" of this scheme

Notes *(continued)*

with the company contributing to individual personal pension schemes instead. Contributions are charged in the accounts as stated in note 1 and there were £24,661 (*30 June 2016: £2,015*) contributions outstanding at the balance sheet date. Pension costs charged in the period were £114,900 (*2016: £102,649*).

10 Related party transactions

As at 30 June 2017, the company was owed £57,636 (*2016: £505,325*) by Alchemy Special Opportunities LLP, £nil (*2016: £12,482*) by Alchemy Special Opportunities Fund II L.P., £58,198 (*2016: £59,626*) by Alchemy Special Opportunities Fund III L.P and £50,396 (*2016: £99,173*) by Alchemy Partners LLP.

11 Ultimate parent undertaking

Alchemy Partners L.P. Inc. acting by its general partner, Alchemy Partners GP Limited, is the ultimate controlling party. The registered address is PO Box 255 Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL.