

Alchemy Venture Partners Limited

**Directors' report and financial
statements**

Registered number 3274858

30 June 2005



Directors' report and financial statements

Contents

<i>Directors' report</i>	1
Statement of directors' responsibilities	2
Report of the independent auditors to the members of Alchemy Venture Partners Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6
Unaudited detailed profit and loss account	12

Directors' report

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 £52,203 (30 June 2004: £32,526).

The directors do not recommend the payment of a dividend (30 June 2004: £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	
S Bodger	
J Bostock	
P Casey	
G Hallworth	(Resigned on 28 th February 2005)
R Hughes	
G Loughrey	(Resigned on 4 th September 2004)
J Newton	
D Rimmer	
B Stephens	(Resigned on 4 th September 2004)
S Woodman	

Robert Barnes held a beneficial interest in the shares in the company at the beginning and end of the year in his role as a member of Alchemy Partners LLP.

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

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

By order of the board



Susan Woodman
Secretary

20 Bedfordbury
London
WC2N 4BL

17th October 2005

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.



KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Report of the independent auditors to the members of Alchemy Venture Partners Limited

We have audited the financial statements on pages 4 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

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 audit 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 June 2005 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

17th October 2005

Profit and loss account
for the year ended 30 June 2005

	<i>Note</i>	Year to 30 June 2005	Year to 30 June 2004
		£	£
Turnover		2,173,000	1,927,250
Administrative expenses		(2,120,253)	(1,879,970)
Operating profit		52,747	47,280
Interest receivable and similar income		223	36
Profit on ordinary activities before taxation	2	52,970	47,316
Tax on profit on ordinary activities	4	(767)	(14,790)
Profit for the financial year		52,203	32,526
Retained profit brought forward		204,364	171,838
Retained profit carried forward		256,567	204,364

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.

The notes on pages 6 to 11 form part of these financial statements

Balance sheet
at 30 June 2005

	<i>Note</i>	30 June 2005	30 June 2004
		£	£
Fixed assets			
Tangible assets	5	81,698	64,673
Current assets			
Debtors: amounts falling due within one year	6	314,094	253,752
Cash at bank and in hand		-	12,689
		314,094	266,441
Creditors: amounts falling due within one year	7	(139,223)	(119,050)
Net current assets		174,871	147,391
Provisions for liabilities and charges	8	-	(7,698)
		256,569	204,366
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		256,567	204,364
Equity shareholders' funds	11	256,569	204,366

These financial statements were approved by the board of directors on 17th October 2005 and were signed on its behalf by:



John Bostock
Director

The notes on pages 6 to 11 form part of these financial statements

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:

	Year to 30 June 2005 £	Year to 30 June 2004 £
Auditors' remuneration		
Audit	18,000	16,200
Depreciation of fixed assets	51,218	30,356
Rentals under operating leases	205,457	203,885

Notes (continued)

3 Directors and other employees

Staff costs including directors are as follows:

	Year to 30 June 2005 £	Year to 30 June 2004 £
Wages and salaries	1,238,397	1,100,164
Social security costs	141,538	139,255
Other pension costs	90,864	85,372
	<hr/> 1,470,799	<hr/> 1,324,791

The average number of administration staff employed by the company during the year was 15 (30 June 2004: 15).

The remuneration of the directors was as follows:

	Year to 30 June 2005 £	Year to 30 June 2004 £
Directors' emoluments		
In respect of management services	454,619	348,393
Pension costs	46,568	45,555
Amounts paid to third parties in respect of directors' services	3,333	-

The highest paid director received emoluments of £194,488 (30 June 2004: £145,744) in respect of management services and had £30,381 (30 June 2004: £30,380) paid into a personal pension plan during the year.

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

4 Tax on profit on ordinary activities

Analysis of charge in period

	Year to 30 June 2005 £	Year to 30 June 2004 £
<i>UK corporation tax</i>		
Current tax on income for the period	14,947	7,092
Total current tax	<hr/> 14,947	<hr/> 7,092
<i>Deferred tax</i>		
Origination of timing differences	1,633	
Deferred tax asset not recognised in prior periods	(15,813)	7,698
Total deferred tax	<hr/> (14,180)	<hr/> 7,698
Tax on profit on ordinary activities	<hr/> 767	<hr/> 14,790

Factors affecting the tax charge for the current period

The current tax charge for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below.

	2005 £	2004 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	52,970	47,316
Current tax at 30% (2004: 30%)	15,891	14,195
<i>Effects of:</i>		
Expenses not deductible for tax purposes	689	595
Capital allowances for period in excess of depreciation	(1,633)	(7,698)
Total current tax charge (see above)	14,947	7,092

5 Tangible fixed assets

	Fixtures, fittings and leasehold improvements £	Computer equipment £	Total £
<i>Cost</i>			
At 30 June 2004	179,416	151,251	330,667
Additions	42,267	25,976	68,243
Disposals	(47,589)	(13,063)	(60,652)
	174,094	164,164	338,258
<i>Accumulated depreciation</i>			
At 30 June 2004	169,803	96,191	265,994
Charge for the year	9,685	41,533	51,218
Disposals	(47,589)	(13,063)	(60,652)
	131,899	124,661	256,560
<i>Net book value</i>			
30 June 2005	42,195	39,503	81,698
30 June 2004	9,613	55,060	64,673

Notes (continued)

6 Debtors

<i>Amounts falling due within one year</i>	30 June 2005	30 June 2004
	£	£
Amounts due from parent undertaking	211,690	173,374
Other debtors	12,620	13,966
Deferred tax	6,482	-
Prepayments and accrued income	83,302	66,412
	<u>314,094</u>	<u>253,752</u>

7 Creditors: Amounts falling due within one year

	30 June 2005	30 June 2004
	£	£
Bank loans and overdrafts	10,812	-
Trade creditors	15,800	18,782
Taxation and social security	53,152	33,361
Accruals and deferred income	59,459	66,907
	<u>139,223</u>	<u>119,050</u>

8 Provision for liabilities and charges

The elements of deferred taxation are as follows:

	30 June 2005	30 June 2004
	£	£
Deferred tax liability	-	7,698
	<u>-</u>	<u>7,698</u>

Notes (continued)

9 Operating leases

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

	2005		2004	
	Land and buildings £	Other £	Land and buildings £	Other £
<i>Operating leases which expire:</i>				
Within one year	-	-	-	1,149
In the second to fifth years inclusive	-	1,486	-	-
Over five years	203,886	-	203,885	-
	<u>203,886</u>	<u>1,486</u>	<u>203,885</u>	<u>1,149</u>

The lease of land and buildings is subject to rent reviews in March 2007 and March 2012.

10 Called up share capital

	30 June 2005 £	30 June 2004 £
<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>

11 Reconciliation of movements in shareholders' funds

	30 June 2005 £	30 June 2004 £
Profit for the financial period	52,203	32,526
Net addition to shareholders' funds	52,203	32,526
Opening shareholders' funds	204,366	171,840
Closing shareholders' funds	<u>256,569</u>	<u>204,366</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 no outstanding contributions at the balance sheet date (30 June 2004: *£nil*). Pension costs charged in the period were £90,864 (30 June 2004: £85,372).

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 20 Bedfordbury, London, WC2N 4BL.

Unaudited detailed profit and loss account
for the year ended 30 June 2005

	Year to 30 June 2005		Year to 30 June 2004	
	£	£	£	£
Administration charge income		2,173,000		1,927,250
Administration charges				
Wages	780,445		751,771	
Other staff costs	5,113		7,384	
Directors' remuneration	457,952		348,393	
Employers NIC	141,538		139,255	
Pension costs	90,864		85,372	
Staff recruitment costs	52,757		-	
Staff training	17,562		13,023	
Rent and rates	264,615		264,678	
Service charges	49,172		48,627	
Insurance	7,553		7,174	
Light and heat	4,586		4,497	
Catering	30,547		30,335	
Repairs	7,616		264	
Maintenance contracts	1,680		3,365	
Printers and computer equipment	26,777		28,617	
Postage and delivery	19,067		18,429	
Stationery, printing and reproduction	33,358		31,003	
Publications and subscriptions	1,249		1,256	
Telephone	20,517		22,209	
Cleaning	9,667		8,624	
Travel and entertaining	19,290		15,010	
Audit, accountancy etc	20,014		17,972	
Legal and professional fees	5,053		910	
Bank charges	751		617	
Miscellaneous	1,276		526	
Depreciation	51,218		30,356	
Bank interest received	(223)		(36)	
Bank interest paid	16		304	
Total administration charges		(2,120,030)		(1,879,934)
Net profit		52,970		47,316