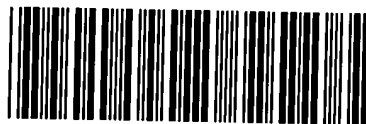


Alchemy Partners LLP

**Members' report and financial
statements**

**Registered number: OC301618
For the Year Ended 30 June 2016**

MONDAY



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COMPANIES HOUSE

**MACFARLANES LLP
20 CURSITOR STREET
LONDON
EC4A 1LT**

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Members' report

The Members' present their report and Financial Statements for the year to 30 June 2016.

Principal Activities

Alchemy Partners LLP ('the Partnership') is a UK Limited Liability Partnership that was incorporated on 5 March 2002. The Partnership is authorised by the Financial Conduct Authority (FCA) as an investment adviser.

The Partnership is an adviser to the Alchemy Investment Plan ('the Plan'), which is based in Guernsey. Its previously wholly owned subsidiary, Alchemy Partners (Guernsey) Limited, which manages the Plan in Guernsey where investment decisions are made, was transferred in the prior year to Alchemy Partners L.P. Inc., an entity also based in Guernsey.

The Plan operates through a series of Guernsey limited partnerships, which have a common general and carried interest partner, themselves now being indirectly owned by Alchemy Partners L.P. Inc., the ultimate parent undertaking of the Partnership. On the 1 January 2016 these Guernsey limited partnerships entered dissolution and Alchemy Partners GP (Guernsey) L.P. ('the Fund General Partner'), acting by its General Partner Alchemy Partners (Guernsey) Limited, appointed Alchemy Partners LLP as an adviser.

The Partnership also has a Joint Venture with Ashmore Investments (UK) Limited. The joint venture company, AA Development Investment Managers (Mauritius) LLC, is the Fund Manager to an Indian Development Capital Fund resident in Mauritius. The cost of the Partnership's joint venture investment in AA Development Investment Managers (Mauritius) LLC, in which it holds 45% of the ordinary shares, was previously fully written off.

Principal Subsidiaries

During the prior year all of the Partnership's subsidiaries were either transferred or disposed of at fair value, which equated to cost, to Alchemy Partners L.P. Inc., an entity based in Guernsey, resulting in nil profit/loss on disposal.

Business Review

The members are satisfied with the results for the year, being in line with expectations. The members continue working towards realising the remaining assets in the Plan over the next few years.

Members

The Members of the Partnership throughout the year and at 30 June 2016 (unless otherwise stated) were:

Managing Members

Dominic James Haviland Slade	(Designated Managing Partner)
Alchemy Partners L.P. Inc.	
John David Rowland	(Resigned 29 March 2016: Appointed 22 June 2016)

Working Members

Robert Nicholas Alan Hewson	
Nicholas Toby Westcott	
John Gavin Loughrey	(Resigned 14 September 2015)
Thomas Boszko	(Appointed 14 September 2015)

All Managing Members are Designated Members. The average monthly number of all members during the period was six (2015: Six).

Members' report

Members' Capital

Under the terms of the Members' Agreement, each Managing Member subscribes an amount agreed with the Managing Partner (appointed by Members' resolution) and a Working Member £1,000 in capital on becoming a Member of the Partnership. In addition a sum of £50,000 has been subscribed by the Managing Partner as permanent Regulatory Capital. Any Contributions made by any Members to the LLP to ensure there is sufficient Regulatory Capital shall only be repayable provided that the other Members at that time contribute sufficient Contributions to replace any such sums repaid.

There was no change to permanent Regulatory Capital of £50,000 during the year. However, £2,000 of Member's capital was paid out to leavers and £2,000 paid in by new Members during the year. Total Members' capital was £14,000 at 30 June 2016.

Members' Profits and Losses

Members' profits and losses are allocated between them based on their respective profit shares during the financial year. Drawings are paid from time to time as working capital permits and such drawings are based on the Members' profit sharing percentages at the time of payment, unless otherwise agreed between the Members.

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.

Approved by the Designated Members on 21 September 2016:


Dominic Slade

John Rowland

21 Palmer Street
London
SW1H 0AD



Statement of Members' responsibilities in respect of the Members' Report and the Financial Statements

The members are responsible for preparing the Members' Report and the LLP financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare LLP 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 Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members 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 LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Alchemy Partners LLP

We have audited the financial statements of Alchemy Partners LLP for the year ended 30 June 2016 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 30 June 2016 and of its result 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime.



Jonathan Martin (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square,
London, E14 5GL
21 September 2016

Profit and loss account and Other Comprehensive Income
for the year ended 30 June 2016

	<i>Notes</i>	Year to 30 June 2016	Year to 30 June 2015
		£000	£000
Turnover - fees receivable	2	1,507	2,010
Operating expenses		(1,073)	(1,274)
Operating profit	3	434	736
Other income		769	418
Profit for the financial year before members' remuneration and profit shares		1,203	1,154
Members' remuneration charged as an expense		(1,203)	(1,154)
Result for the financial year available for discretionary division among members		-	-

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.

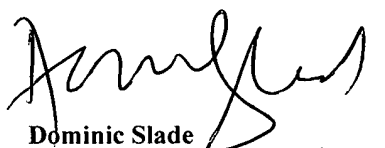
All the results shown in the above profit and loss account are from continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

Balance sheet
at 30 June 2016

	Notes	30 June 2016	30 June 2015
		£000	£000
Fixed assets			
Tangible fixed assets	4	24	48
		<hr/>	<hr/>
		24	48
Current assets			
Debtors	5	494	499
Cash at bank and in hand		533	109
		<hr/>	<hr/>
		1,027	608
Creditors: amounts falling due within one year	6	(450)	(166)
		<hr/>	<hr/>
Net current assets		577	442
		<hr/>	<hr/>
Provisions for liabilities and charges		(23)	(20)
		<hr/>	<hr/>
Net assets attributable to members		578	470
		<hr/>	<hr/>
Represented by:			
Loans and other debts due to members within one year			
Other amounts		514	406
		<hr/>	<hr/>
		514	406
Equity			
Members' other interests – Other reserves classified as equity under FRS 102		64	64
		<hr/>	<hr/>
Total members' interests		578	470
		<hr/>	<hr/>

These financial statements were approved by the members on 21 September 2016 and were signed on their behalf by:


Dominic Slade
Registered number: OC301618

The notes on pages 8 to 12 form part of these financial statements.

Reconciliation of members' interests at 30 June 2016

	Members' Other Interests	Loans and Other Debts due to Members	Total Members' Interests
	Members' capital (classified as equity) £000	Other Amounts due to members £000	£000
Amounts due to Members	64	410	474
Amounts due from Members	-	(4)	(4)
Members' interests at 30 June 2015	64	406	470
Members' remuneration charged as an expense	-	1,203	1,203
Members' interests after profit for the year	64	1,609	1,673
Introduced by members	2	-	2
Repayment of capital	(2)	-	(2)
Drawings	-	(1,095)	(1,095)
Amounts due to Members	64	514	578
Members' interests at 30 June 2016	64	514	578

At 30 June 2015

Amounts due to Members	73	1,158	1,231
Members' interests at 30 June 2014	73	1,158	1,231
Members' remuneration charged as an expense	-	1,154	1,154
Members' interests after profit for the year	73	2,312	2,385
Introduced by members	18	-	18
Repayment of capital	(27)	-	(27)
Drawings	-	(1,902)	(1,902)
Amounts due to Members	64	410	474
Amounts due from Members	-	(4)	(4)
Members' interests at 30 June 2015	64	406	470

The average number of Members during the year was six (2015: Six).

In the event of a winding up of the Partnership, monies due to creditors will be paid before any distributions of loans and other debts due to Members.

The notes on pages 8 to 12 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the small entities regime, Section 1A, Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in September 2015. The financial statements have also been prepared in accordance with the Statement of Recommended Practice for Limited Liability.

In the transition to FRS 102 from old UK GAAP, the LLP has made no measurement or recognition adjustments.

The accounts have been prepared on a going concern basis.

Income

Income from fees represents the amounts earned and invoiced, excluding value added tax. Deal fees are earned and invoiced when a deal is completed. All other fees are earned and invoiced on an accruals basis by spreading the income evenly over the period for which it relates.

Expenses

Expenses are accounted for on an accruals basis.

Taxation

Income tax, being the individual liability of each member, is not provided for in the accounts of the LLP.

Cashflow

The Partnership 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.

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%

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.

Notes (continued)

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.

Adoption of Statement of Recommended Practice

The Partnership has adopted the Statement of Recommended Practice for Accounting by Limited Liability Partnerships issued July 2014.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

2 Fees receivable

Partnership	Year to 30 June 2016 £000	Year to 30 June 2015 £000
Advisory fees	1,483	1,990
Periodic consulting and admin fees	423	593
	<hr/>	<hr/>
	1,906	2,583
<i>Less:</i>		
Rebate of fees	(399)	(573)
	<hr/>	<hr/>
	1,507	2,010
	<hr/>	<hr/>

3 Profit on ordinary activities before taxation

	Year to 30 June 2016 £000	Year to 30 June 2015 £000
<i>Profit for the financial year is stated after charging</i>		
Auditors' remuneration:		
- audit of these financial statements	28	27
- tax	4	5
- audit of client assets	8	7
- accountancy services	3	6
Depreciation and other amounts written off tangible fixed assets	39	43
Rentals under operating leases	113	137

The Partnership did not employ any staff in the period (2015: nil).

Notes (continued)

4 Tangible fixed assets

	Fixtures, fittings and leasehold improvements £000	Computer equipment £000	Total £000
Cost			
At 30 June 2015	280	150	430
Additions	-	14	14
Disposals	-	(6)	(6)
	<u>280</u>	<u>158</u>	<u>438</u>
Accumulated depreciation			
At 30 June 2015	237	145	382
Charge for the year	32	7	39
Disposals	-	(7)	(7)
	<u>269</u>	<u>145</u>	<u>414</u>
Net book value			
30 June 2016	<u><u>11</u></u>	<u><u>13</u></u>	<u><u>24</u></u>
30 June 2015	<u><u>43</u></u>	<u><u>5</u></u>	<u><u>48</u></u>

5 Debtors

Amounts falling due within one year	30 June 2016 £000	30 June 2015 £000
Trade debtors	141	96
Amounts owed by Group undertakings	318	301
Prepayments and accrued income	35	90
	<u>494</u>	<u>487</u>
Amounts falling due after more than one year	30 June 2016	30 June 2015
	£000	£000
Prepayments and accrued income	-	12
	<u>-</u>	<u>12</u>

Prepayments include rent free and dilapidations contribution given to a third party totalling £12,000 (2015: £86,000). This is explained further in note 7.

Notes (continued)

6 Creditors: amounts falling due within one year

	30 June 2016 £000	30 June 2015 £000
Trade creditors	4	4
Amounts owed to Group undertakings	251	108
Accruals and deferred income	187	51
Taxation	8	3
	<hr/>	<hr/>
	450	166
	<hr/>	<hr/>

7 Operating leases

Non-cancellable operating leases are payable as follows:

	2016		2015	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within one year	67	-	109	-
In the second to fifth years inclusive	268	-	54	-
Over five years	16	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	351	-	163	-
	<hr/>	<hr/>	<hr/>	<hr/>

During the year £113,000 (2015: £137,000) was recognised as an expense in the profit & loss account in respect of operating leases.

The Partnership took over the assignment of a new building lease in June 2008 which terminates in August 2016. On assignment of the lease, a premium of £455,000 was paid on behalf of the Partnership by its then subsidiary undertaking, Alchemy Venture Partners Limited. As per the service agreement between the Partnership and Alchemy Venture Partners Limited, the latter bears the amortisation of this lease premium and this been amortised on a straight line basis over the period from the assignment of the lease to the first rent review. Following the rent review date on 30 August 2011 there was a 2.5% increase in rental charge. Subsequent to this, the Partnership assigned the existing lease to a third party effective 1 March 2012. On assignment of the lease, the new assignee was entitled to a rent free amount of £235,341 and a contribution of £95,450 towards dilapidations at expiry of the lease. These amounts have been accrued in the Partnership on a straight line basis over the period from the assignment of the lease to the date of surrender of the lease.

On the 18 January 2012 the Partnership, together with Alchemy Special Opportunities L.P., took on an underlease at new premises, which was due to terminate in December 2016. This was subsequently surrendered during the year ended 30 June 2016 and resulted in receipt of a surrender premium of £80,000 from the sub-lessor, which was credited to Alchemy Special Opportunities LLP profit and loss account during the year ended 30 June 2016. Under the terms of the underlease terminated, the Partnership, together with Alchemy Special Opportunities LLP, were entitled to a share of the total rent free amount of £241,388 which was being amortised on a straight line basis over the lease period. On termination of the underlease the Partnership's share of remaining unamortised rent free amount of £16,018 was fully credited to the profit and loss account.

At the same time the Partnership together with Alchemy Special Opportunities LLP, entered into a new lease with the new landlord on the same office premises. This lease terminates on 25th December 2025. A one-off payment of £24,139 made to the landlord in respect of this lease has been expensed to the profit and loss account of Alchemy

Notes (continued)

Special Opportunities LLP's during the year ended 30 June 2016. Under the terms of the new lease, the Partnership together with Alchemy Special Opportunities LLP, is entitled to a rent free amount of £291,000. The Partnership's share is being amortised on a straight line basis over the 5.5 year lease period to break clause in September 2021.

8 Related party disclosures

At 30 June 2016 the Partnership owed £151,368 (2015: £94,870) to Alchemy Partners (Guernsey) Limited.

The Partnership's periodic consulting fees are all receivable from investments owned by the Alchemy Investment Plan.

The Partnership's administration charge is all payable to Alchemy Venture Partners Limited. At 30 June 2016 the Partnership owed £99,173 (2015: £13,050) to Alchemy Venture Partners Limited.

As at 30 June 2016, the Partnership was owed £318,098 (2015: £301,111) as a trading balance by Alchemy Special Opportunities LLP. The Partnership has a Joint Venture with Ashmore Investments (UK) Limited. As at 30 June 2016, the Partnership was owed £3,927 (2015: £1,979) as a trading balance by the joint venture company, AA Development Investment Managers (Mauritius) LLC and £22,915 (2015: £5,721) by AA Development Capital India Fund 1, LLC.

Under the terms of the limited partnership agreements relating to the limited partnerships ("the Partnerships") in the Alchemy Investment Plan, income and capital gains arising in respect of investments realised by the Partnerships are allocated between the partners. After prior repayment of expenses, priority profit share and investment loans, profits will be distributed as to between 10% and 20% by way of carried interest to Alchemy Partners CI (Guernsey) Limited, a company which holds as a nominee the rights of Members to carried interest, and the residual to the remaining Limited Partners in the Partnerships. Under the terms of the carried interest provisions within the limited partnership agreements, £802,024 (2015: £3,433,239) was allocated to Members during the year.

9 Ultimate parent undertaking

Alchemy Partners L.P. Inc. acting by its general partner, Alchemy Partners GP Limited, is the ultimate controlling party.