

Final

**Alchemy Partners LLP**

**Members' report and financial  
statements**

Registered number: OC301618  
For the Year Ended 30 June 2018



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 2018.

### 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. The Plan operates through a series of Guernsey limited partnerships, which have a common general and carried interest partner, themselves being indirectly owned by Alchemy Partners L.P. Inc., the ultimate parent undertaking of the Partnership. On the 1 January 2017 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.

### 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 2018 (unless otherwise stated) were:

#### Managing Members

Dominic James Haviland Slade (Designated Managing Partner)  
Alchemy Partners L.P. Inc.  
John David Rowland

#### Working Members

Robert Nicholas Alan Hewson (Resigned 2 October 2017)  
Nicholas Toby Westcott  
Thomas Boszko

All Managing Members are Designated Members. The average monthly number of all members during the period was five (2017: Six).

### 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. 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. During the year Members' capital reduced from £14,000 to £13,000 at 30 June 2018.

## Members' report

### 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 on 10 October 2018 by:



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 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 financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) 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;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

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 are responsible for 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, and 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**

### **Opinion**

We have audited the financial statements of Alchemy Partners LLP ("the LLP") for the year ended 30 June 2018 which comprise the Statement of Total Comprehensive Income, Statement of Financial Position, Reconciliation of Members' Interests 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 affairs of the LLP as at 30 June 2018 and of its result 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **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 LLP 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.

### **Other information**

The members are responsible for the other information, which comprises the members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 as applied to limited liability partnerships 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
- 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.

We have nothing to report in these respects.

### **Members' responsibilities**

As explained more fully in their 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; 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 LLP'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 LLP 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](http://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 members of the 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.



**Jonathan Martin (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

11<sup>th</sup> October 2018

**Statement of Total Comprehensive Income**  
*for the year ended 30 June 2018*

	<i>Notes</i>	<b>Year to 30 June 2018</b>	Year to 30 June 2017
		<b>£000</b>	£000
Turnover - fees receivable	2	671	1,102
Operating expenses		<b>(391)</b>	<b>(889)</b>
<b>Operating profit</b>	3	<b>280</b>	213
Other income		<b>1,843</b>	1,248
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>2,123</b>	1,461
Members' remuneration charged as an expense		<b>(2,123)</b>	<b>(1,461)</b>
<b>Result for the financial year available for discretionary division among members</b>		<b>-</b>	<b>-</b>

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 9 to 13 form part of these financial statements.



**Statement of Financial Position**  
*at 30 June 2018*

	<i>Notes</i>	<b>30 June 2018</b>	<b>30 June 2017</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Tangible fixed assets	4	7	14
		<hr/>	<hr/>
		7	14
<b>Current assets</b>			
Debtors	5	831	697
Cash at bank and in hand		580	460
		<hr/>	<hr/>
		1,411	1,157
<b>Creditors: amounts falling due within one year</b>	6	(179)	(392)
		<hr/>	<hr/>
<b>Net current assets</b>		1,232	765
		<hr/>	<hr/>
<b>Provisions for liabilities and charges</b>		(24)	(24)
		<hr/>	<hr/>
<b>Net assets attributable to members</b>		1,215	755
		<hr/>	<hr/>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Other amounts		1,152	691
		<hr/>	<hr/>
		1,152	691
<b>Equity</b>			
Members' Capital (classified as equity)		63	64
		<hr/>	<hr/>
<b>Total members' interests</b>		1,215	755
		<hr/>	<hr/>

These financial statements were approved by the members on 10 October 2018 and were signed on their behalf by:



**Dominic Slade**  
Registered number: OC301618

The notes on pages 9 to 13 form part of these financial statements.

## Reconciliation of members' interests at 30 June 2018

	<b>EQUITY</b> <b>Members'</b> <b>Other</b> <b>Interests</b>	<b>DEBT</b> <b>Loans and</b> <b>Other Debts</b> <b>due to</b> <b>Members</b>	<b>TOTAL</b> <b>Members'</b> <b>Interests</b>
	<b>Members'</b> <b>capital</b> <b>(classified</b> <b>as equity)</b> <b>£000</b>	<b>Other</b> <b>Amounts</b> <b>due to</b> <b>members</b> <b>£000</b>	<b>Total</b> <b>£000</b>
Amounts due to Members	64	691	755
Members' interests at 30 June 2017	64	691	755
Members' remuneration charged as an expense	-	2,123	2,123
Members' interests after profit for the year	64	2,814	2,878
Introduced by members	-	-	-
Repayment of capital	(1)	-	(1)
Drawings	-	(1,662)	(1,662)
Amounts due to Members	63	1,152	1,215
<b>Members' interests at 30 June 2018</b>	<b>63</b>	<b>1,152</b>	<b>1,215</b>
<i>At 30 June 2017</i>			
Amounts due to Members	64	514	578
Members' interests at 30 June 2016	64	514	578
Members' remuneration charged as an expense	-	1,461	1,461
Members' interests after profit for the year	64	1,975	2,039
Introduced by members	50	-	50
Repayment of capital	(50)	-	(50)
Drawings	-	(1,284)	(1,284)
Amounts due to Members	64	691	755
<b>Members' interests at 30 June 2017</b>	<b>64</b>	<b>691</b>	<b>755</b>

The average number of Members during the year was five (2017: Six).

The Members' capital comprises of £50,000 of Regulatory capital and £13,000 of Members' capital.

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. All members' remuneration is treated as an expense.

The notes on pages 9 to 13 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 Partnerships.

The accounts have been prepared on a going concern basis.

#### *Income*

Income from fees represents the amounts earned and invoiced on an accruals basis, excluding value added tax.

#### *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.

## 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 January 2017.

### Leases

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

## 2 Turnover

Partnership	Year to 30 June 2018 £000	Year to 30 June 2017 £000
Advisory fees	647	1,071
Periodic consulting and admin fees	235	364
	<hr/>	<hr/>
	882	1,435
Less:		
Rebate of fees	(211)	(333)
	<hr/>	<hr/>
	671	1,102
	<hr/>	<hr/>

## 3 Profit on ordinary activities before taxation

	Year to 30 June 2018 £000	Year to 30 June 2017 £000
<i>Profit for the financial year is stated after charging/(crediting)</i>		
Auditors' remuneration:		
- audit of these financial statements	18	28
- tax	4	4
- audit of client assets	9	10
- accountancy services	-	-
Depreciation and other amounts written off tangible fixed assets	11	21
Rentals under operating leases	(15)	73

The Partnership did not employ any staff in the period (2017: nil).

## Notes (continued)

### 4 Tangible fixed assets

	Fixtures, fittings and leasehold improvements £000	Computer equipment £000	Total £000
<b>Cost</b>			
At 30 June 2017	280	151	431
Additions	-	4	4
Disposals	-	(65)	(65)
	<u>280</u>	<u>90</u>	<u>370</u>
<b>Accumulated depreciation</b>			
At 30 June 2017	279	138	417
Charge for the year	-	11	11
Disposals	-	(65)	(65)
	<u>279</u>	<u>84</u>	<u>363</u>
<b>Net book value</b>			
<b>30 June 2018</b>	<u>1</u>	<u>6</u>	<u>7</u>
30 June 2017	<u>1</u>	<u>13</u>	<u>14</u>

### 5 Debtors

Amounts falling due within one year	30 June 2018 £000	30 June 2017 £000
Trade debtors	32	29
Amounts owed by Group undertakings	758	636
Other debtors	12	1
Prepayments and accrued income	29	31
	<u>831</u>	<u>697</u>

## Notes (continued)

### 6 Creditors: amounts falling due within one year

	30 June 2018 £000	30 June 2017 £000
Trade creditors	-	-
Amounts owed to Group undertakings	111	102
Accruals and deferred income	68	290
Taxation	-	-
	<u>179</u>	<u>392</u>

### 7 Operating leases

Non-cancellable operating leases are payable as follows:

	2018		2017	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within one year	-	-	22	-
In the second to fifth years inclusive	-	-	72	-
Over five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>94</u>	<u>-</u>

During the year £(15,000) (2017: £73,000) was recognised as a credit in the profit & loss account in respect of operating leases.

On the 18 January 2012 the Partnership, together with Alchemy Special Opportunities LLP, 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. 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 was expensed to the profit and loss account of Alchemy Special Opportunities LLP 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.

## Notes (continued)

### 8 Going Concern

A review of the LLP's business activities is described in the Members' report. The Members are comfortable that AP(G)L, to whom the Partnership provides advisory services, has sufficient income and reserves to remunerate the Adviser for the foreseeable future given there is only one underlying asset remaining.

### 9 Subsequent event

Subsequent to the balance sheet date, there are no new events to report.

### 10 Related party disclosures

At 30 June 2018, the Partnership owed £105,035 (2017: £51,648) 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 2018, the Partnership owed £5,740 (2017: £50,396) to Alchemy Venture Partners Limited.

As at 30 June 2018, the Partnership was owed £757,686 (2017: £635,806) as a trading balance by Alchemy Special Opportunities LLP. The Partnership has a Joint Venture with Ashmore Investments (UK) Limited. As at 30 June 2018, the Partnership was owed nil (2017: £11,387) as a trading balance by the joint venture company, AA Development Investment Managers (Mauritius) LLC and £12,316 (2017: £ 15,449) 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, £5,220,440 (2017: £4,552,850) was allocated to Members during the year.

### 11 Ultimate parent undertaking

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