

**Advent Limited**  
Annual Report and Accounts  
for the year ended 31 March 2007

**Registered in England and Wales**  
**Number: 2191603**

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## Directors' Report

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The directors have pleasure in submitting the annual report and accounts of the company for the year ended 31 March 2007

### Activities

The principal activity of the company is the provision of services to Advent Venture Partners LLP, the ultimate parent undertaking

### Business Review

There has been no significant change in the development of the business during the year under review and the directors intend that the company will continue to provide services to Advent Venture Partners LLP. The directors consider the financial position of the company at the year end to be healthy and broadly consistent with the prior year. The company's income is secure in the medium term and as a result the directors do not consider there to be any significant risks to the company in the short to medium term.

### Financial results and dividends

Advent Limited made a profit of £51,382 for the year before taxation (2006 loss £138,013) and a profit after taxation of £69,657 (2006 loss £53,606). No interim dividend was paid during the year (2006 £nil). The directors do not propose to pay a dividend for the full year (2006 nil).

### Directors

The directors who held office during the year were as follows

Sir David Cooksey (resigned 30 September 2006)  
J C Benjamin  
D Cheesman  
N J Teasdale

L I Gabb  
P P Lee  
P A Baines  
M A McNair

### Directors' interests

No director had an interest in the ordinary shares of the company during the year ended 31 March 2007.

The interests of the directors in the parent undertaking, Advent Venture Partners LLP, are disclosed in the annual report of that entity. There were no other directors who held office at the end of the year who had an interest in the partnership of Advent Venture Partners LLP.

### Political and charitable donations

The company made no political or charitable donations during the year (2006 nil).

### Policies and practice on payment of creditors

The company's policy is to pay creditors as they fall due. For the year ended 31 March 2007, the average period for payment of trade creditors was 25 days (2006 37 days).

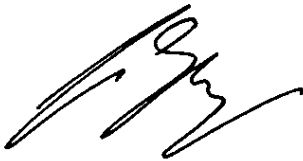
**Disclosure of information to auditors**

The directors who held office at the date of approval 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

A resolution has been passed to re-appoint KPMG Audit Plc as auditor of the company

By order of the Board

A handwritten signature in black ink, appearing to be 'L I Gabb', written in a cursive style.

L I Gabb  
2 July 2007

## **Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements**

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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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

## **Independent Auditor's Report to the Members of Advent Limited**

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We have audited the financial statements of Advent Limited (the "financial statements") for the year ended 31 March 2007 which comprise of the Profit and Loss Account and the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the directors' report is consistent with the financial statements



**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

8 Salisbury Square  
London EC4Y 8BB

2 July 2007

## Profit and Loss Account

For the year ended 31 March 2007

	Notes	2007 £	2006 £
<b>Turnover</b>	2	3,405,506	3 938,633
Staff costs	3	(2,083,704)	(2,429,919)
Depreciation	7	(201,609)	(205,918)
Other operating charges		<u>(1,075,857)</u>	<u>(1,493,008)</u>
Operating profit/(loss)	5	44,336	(190,212)
Income from shares in group undertakings		-	2,580
Interest receivable and similar income		<u>7,046</u>	<u>49,619</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		51,382	(138,013)
Tax credit on profit on ordinary activities	6	<u>18,275</u>	<u>84,407</u>
<b>Profit/(loss) for the financial year</b>		<u>69,657</u>	<u>(53,606)</u>

There were no recognised gains or losses other than the profit of the company of £69,657 for the year ended 31 March 2007 (2006 loss £53,606)

In respect of the profit for the year, there is no difference between the figures stated above and their historical cost equivalents

All profit and loss items in the above statement derive from continuing operations

The notes on pages 8 to 17 form part of these accounts

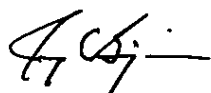


## Balance Sheet

As at 31 March 2007

	Notes	2007 £	2006 £
<b>Non-current assets</b>			
Tangible fixed assets	7	188,565	353,520
Investments in subsidiary undertakings	8	17,918	23,812
Loan receivables	9	197,084	-
Deferred taxation	12	21,228	3,459
		<u>424,795</u>	<u>380,791</u>
<b>Current assets</b>			
Debtors	10	2,609,208	2,831,656
Loan receivables	9	87,887	-
Cash at bank and in hand		185,734	63,349
		<u>2,882,829</u>	<u>2,895,005</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(1,061,062)</u>	<u>(1,098,891)</u>
<b>Net current assets</b>		<u>1,821,767</u>	<u>1,796,114</u>
<b>Total assets less current liabilities</b>		<u>2,246,562</u>	<u>2,176,905</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,000	1,000
Profit and loss account		2,245,562	2,175,905
<b>Equity shareholders' funds</b>	14	<u>2,246,562</u>	<u>2,176,905</u>

These accounts were approved by the Board on 2 July 2007 and signed on their behalf by



J C BENJAMIN  
Director



L I GABB  
Director

The notes on pages 8 to 17 form part of these accounts

## Notes to the Financial Statements

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### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

a) Basis of preparation

The financial statements have been prepared in accordance with Section 228 of, and Schedule 4 to, the Companies Act 1985, and in accordance with applicable accounting standards in the UK

b) Turnover

Turnover is accounted for on an accruals basis and represents amounts received from group companies for services carried out on their behalf

c) Other operating charges

Fund raising costs are written off in the period which they are incurred

d) Depreciation

Depreciation is provided by the company to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives which are

Leasehold improvements	Over the period of the leases
Fixtures and fittings	5 years
Computer equipment and software	3 years

e) Deferred taxation

FRS 19 "Deferred Tax" has been adopted in these financial statements and a provision is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits in the future against which the asset can be offset. Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which the timing differences reverse.

f) Investments

Investments are valued at the lower of cost (net of amortisation where applicable) and net realisable value.

g) Leases

The company occupies property under operating leases, the rental charges for which are charged to the profit and loss account on a straight-line basis over the life of the lease.

h) Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rate ruling at the balance sheet date. The differences arising from exchange rate fluctuations in respect of these items are included in interest payable and similar charges.

**1 Accounting policies (continued)**

**i) Financial instruments**

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any. Financial liabilities, other than those at fair value through the profit and loss, are measured at amortised cost using effective interest rate.

**j) Exemption from preparing a cash flow statement**

In accordance with Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

**k) Exemption from preparing consolidated accounts**

The company is a wholly owned subsidiary of another UK undertaking and has dispensed with the requirement to prepare group accounts as permitted by s228 Companies Act 1985.

**2 Turnover**

	2007 £	2006 £
Other income	75,742	120,179
Income from supply of services to the parent	3,329,764	3,818,454
	<u>3,405,506</u>	<u>3,938,633</u>

Included within other income is an amount of £73,897 (2006 £100,160) resulting from rent receivable under a sublease arrangement with a tenant at 25 Buckingham Gate, London, SW1E 6LD.

**3 Staff costs**

	2007 £	2006 £
Employee costs (including salaried directors)		
Wages and salaries	718,141	1,406,576
Social security costs	84,586	174,238
Other pension costs	1,280,977	849,105
	<u>2,083,704</u>	<u>2,429,919</u>

Average number of employees 14 (2006 17)

Split between Investment 3 (2006 5), Administration 11 (2006 12)

**4 Directors' emoluments**

The emoluments, excluding pension contributions, attributable to the highest paid director amounted to £ nil (2006 £426,985) Pension contributions attributable to that director amounted to £1,118,438 (2006 £756,077) None of the other directors receive remuneration from the company

**5 Operating profit/(loss)**

Operating profit/(loss) is stated after charging/(crediting)

	2007 £	2006 £
Operating lease rentals - land and buildings	362,715	362,367
Auditors' remuneration Audit of financial statements pursuant to legislation	4,840	4,400
Net (credit)/charge of provision for loan receivables	(225,000)	225,000
Interest receivable written off	44,795	-
Net charge/(credit) of provision for doubtful debts	20,388	(25,242)

**6 Tax on profit on ordinary activities**

	2007 £	2006 £
Corporation tax	-	-
Carry back group relief	-	-
Tax refund from prior periods	-	(36,560)
Over provisions in respect of prior periods	(507)	(16,635)
	(507)	(53,195)
Deferred tax credit	(17,769)	(31,212)
Tax credit on profit on ordinary activities	(18,275)	(84,407)

## 6 Tax on profit on ordinary activities (continued)

Factors affecting current tax charge for the year

	2007 £	2006 £
Profit/(Loss) on ordinary activities before tax	51,382	(138,013)
Corporation tax at 30% (2006 30%)	15,415	(41,404)
Effects of		
Dividends receivable	-	(774)
Movement in provision for loan receivables	(67,500)	67,500
Expenses not deductible for tax purposes	8,768	2,777
Depreciation in excess of capital allowances for period	38,925	36,588
Group relief claimed not for payment	4,392	(64,687)
	-	-

## 7 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost at 1 April 2006			
At beginning of year	1,055,445	716,659	1,772,104
Additions	-	36,654	36,654
At 31 March 2007	1,055,445	753,313	1,808,758
Depreciation			
At 1 April 2006	777,236	641,348	1,418,584
Charge for year	145,931	55,678	201,609
At 31 March 2007	923,167	697,026	1,620,193
<b>Net book value at 31 March 2007</b>	<b>132,278</b>	<b>56,287</b>	<b>188,565</b>
Net book value at 31 March 2006	278,209	75,311	353,520

## 8 Investments in subsidiary undertakings

a) Investments in subsidiary undertakings

	2007 £	2006 £
Subsidiary undertakings (note 17)	17,918	23,812
	17,918	23,812

**8 Investments in subsidiary undertakings (continued)**

**b) Investment movements**

Movements in investments for the company during the year are summarised as follows

	Subsidiary undertakings £
Net book value at 1 April 2006	23,812
Movements in the year	
Disposal of subsidiary during year	(5,000)
Write off of stamp duty	(894)
Net book value at 31 March 2007	<u>17,918</u>
Book cost at 31 March 2007	193,582
Provision for diminution in value	(175,664)
<b>Net book value at 31 March 2007</b>	<b><u>17,918</u></b>

**9 Loan receivables**

	2007 £	2006 £
Loan receivables	306,582	246,612
Provision	(21,612)	(246,612)
Net loan receivables	<u>284,971</u>	<u>-</u>
Minimum loan receipts		
Within one year	90,000	-
In two to three years	217,500	-
	<u>307,500</u>	<u>-</u>
Less future finance income	(22,529)	-
<b>Net book value at 31 March 2007</b>	<b><u>284,971</u></b>	<b><u>-</u></b>

9 **Loan receivables (continued)**

	2007	2006
	£	£
Present value of loan receivables analysed as		
Due within one year	87,887	-
Due after one year	197,084	-
	<u>284,971</u>	<u>-</u>

The loan receivables bore effective interest of 4.5% per annum

10 **Debtors**

	2007	2006
	£	£
Trade debtors	102,265	114,419
Less provision for doubtful debts	(67,034)	(46,646)
Net trade debtors	35,231	67,773
Amounts owed by parent	2,333,824	1,919,050
Amounts owed by subsidiaries	63,114	50,165
Other debtors	17,312	386,564
Prepayments and accrued income	139,950	284,894
Short term loan	-	53,015
Corporation tax	-	20,256
VAT	19,777	49,939
	<u>2,609,208</u>	<u>2,831,656</u>

11 **Creditors: amounts falling due within one year**

	2007	2006
	£	£
Bank overdraft	-	2,928
Trade and other creditors	57,595	90,030
Amounts owed to parent	65,845	65,845
Amounts owed to other subsidiaries	888,987	889,815
Accruals	31,915	25,910
Corporation tax	-	-
Other taxes and social security	16,720	24,363
	<u>1,061,062</u>	<u>1,098,891</u>

**12 Deferred taxation**

The movement in deferred taxation during the current and previous years are as follows

	2007 £	2006 £
Deferred tax charge in profit & loss account		
Asset/(liability) at 1 April	3,459	(27,753)
Credit for the year	17,769	31,212
Asset at 31 March	<u>21,228</u>	<u>3,459</u>

**13 Called up share capital**

Authorised, allotted, called up and fully paid

	2007 No	2007 £	2006 No	2006 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

**14 Reconciliation of movements in equity shareholders' funds**

	2007 £	2006 £
Shareholders' funds at 1 April	2,176,905	2,230,511
Profit/(loss) for the financial year after taxation	69,657	(53,606)
Shareholder's funds at 31 March	<u>2,246,562</u>	<u>2,176,905</u>

**15 Other financial commitments**

At 31 March 2007 the company had annual commitments under non-cancellable operating leases for its land and buildings as set out below

	2007 £	2006 £
Operating leases which expire		
Within one year	218,450	-
In two to five years	154,800	373,250
	<u>373,250</u>	<u>373,250</u>

**16 Pension costs**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately in an independently administered fund. The scheme is operated for a single director whilst, the other employees are members of personal defined contribution schemes to which the company contributes. The pension cost charge for the period of £1,280,977 (2006 £849,105) represents contributions payable by the company to the various funds.



## 17 Particulars of subsidiary undertakings

The following are the subsidiary undertakings at 31 March 2007

### **Advent Management Limited**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in Scotland	2 £1 ordinary shares )

### **Advent Management II Limited**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in Scotland	2 £1 ordinary shares )

### **Advent Management III Limited**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in Scotland	1 £1 ordinary shares )

### **Advent Management IV Limited**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in Scotland	1 £1 ordinary shares )

### **Advent 2 Fund Managers Limited**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in England and Wales	1,000 £1 ordinary shares)

### **Advent Nominees Limited**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in England and Wales	2 £1 ordinary shares )

### **Advent Trustee Limited**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in England and Wales	2 £1 ordinary shares )

### **Advent Holdings Limited**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in England and Wales	7,895 £1 ordinary shares )

### **Advent GPIC Limited**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in England and Wales	1 £1 ordinary shares )

### **Advent Private Equity GmbH**

A wholly owned subsidiary of the company	(Issued share capital of
Registered in Germany	25,000 €1 ordinary shares )

17 **Particulars of subsidiary undertakings (continued)**

**Advent Management Limited Partnership ("AMLP")**

A Scottish limited partnership whose principal place of business is at 50 Lothian Road, Festival Square, Edinburgh EH3 9BY and of which Advent Management Limited is the general partner. A subsidiary undertaking of Advent Management Limited by virtue of Section 258 (2)(c)(i) of the Companies Act 1985 as amended.

<b>Advent First Limited Partnership</b>	)
<b>Advent First Limited Partnership 'A'</b>	) (the "AFLP partnerships")
<b>Advent First Limited Partnership 'B'</b>	)
<b>Advent First Technology Limited Partnership</b>	)

English limited partnerships whose principal place of business is at 25 Buckingham Gate, London SW1E 6LD and of which AMLP is in each case the general partner. Subsidiary undertakings of AMLP by virtue of Section 258(2)(c)(i) of the Companies Act 1985 as amended.

**Advent Management II Limited Partnership ("AMLP2")**

A Scottish limited partnership whose principal place of business is at 50 Lothian Road, Festival Square, Edinburgh EH3 9BY and of which Advent Management II Limited is the general partner. A subsidiary undertaking of Advent Management II Limited by virtue of Section 258 (2)(c)(i) of the Companies Act 1985 as amended.

<b>Advent Private Equity Fund II 'A'</b>	)
<b>Advent Private Equity Fund II 'B'</b>	) (the "APEF II partnerships")
<b>Advent Private Equity Fund II 'C'</b>	)
<b>Advent Private Equity Fund II 'D'</b>	)

English limited partnerships whose principal place of business is at 25 Buckingham Gate, London SW1E 6LD and of which AMLP2 is in each case the general partner. Subsidiary undertakings of AMLP2 by virtue of Section 258(2)(c)(i) of the Companies Act 1985 as amended.

**Advent Management III Limited Partnership ("AMLP3")**

A Scottish limited partnership whose principal place of business is at 50 Lothian Road, Festival Square, Edinburgh EH3 9BY and of which Advent Management III Limited is the general partner. A subsidiary undertaking of Advent Management III Limited by virtue of Section 258 (2)(c)(i) of the Companies Act 1985 as amended.

<b>Advent Private Equity Fund III 'A'</b>	)
<b>Advent Private Equity Fund III 'B'</b>	)
<b>Advent Private Equity Fund III 'C'</b>	) (the "APEF III partnerships")
<b>Advent Private Equity Fund III 'D'</b>	)
<b>Advent Private Equity Fund III 'Affiliates'</b>	)

English limited partnerships whose principal place of business is at 25 Buckingham Gate, London SW1E 6LD and of which AMLP3 is in each case the general partner. Subsidiary undertakings of AMLP3 by virtue of Section 258(2)(c)(i) of the Companies Act 1985 as amended.

**Advent Private Equity Fund III GmbH & Co 'KG'**

A German limited partnership whose principal place of business is at Theresienstrasse 6, 80333 Munich, Germany, and of which the AMLP3 is the managing limited partner. A subsidiary undertaking of AMLP3 by virtue of Section 258(2)(c)(i) of the Companies Act 1985 as amended.

**Advent Management IV Limited Partnership ("AMLPA")**

A Scottish limited partnership whose principal place of business is at 50 Lothian Road, Festival Square, Edinburgh EH3 9BY and of which Advent Management IV Limited is the general partner. A subsidiary undertaking of Advent Management IV Limited by virtue of Section 258 (2)(c)(i) of the Companies Act 1985 as amended.

**Advent Private Equity Fund IV**

English limited partnership whose principal place of business is at 25 Buckingham Gate, London SW1E 6LD and of which AMLPA is the general partner. Subsidiary undertaking of AMLPA by virtue of Section 258(2)(c)(i) of the Companies Act 1985 as amended.

**18 Related party transactions**

Under an agreement with Advent Venture Partners LLP ("the LLP"), the LLP is supplied with certain services by the company. In the period ended 31 March 2007, the charge to the LLP was £3,329,764 (2006 £ 3,818,454) in respect of services provided.

**19 Ultimate parent undertaking**

The company's ultimate parent undertaking is Advent Venture Partners LLP, a limited liability partnership registered in England and Wales. Copies of the consolidated accounts of Advent Venture Partners LLP may be inspected at Companies House.