

Advent Limited

Annual Report and Accounts
for the year ended 31 March 2009

Registered in England and Wales
Number: 2191603

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Directors' Report

The directors have pleasure in submitting the annual report and accounts of the company for the year ended 31 March 2009.

Activities

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

Business Review

The directors consider the financial position of the company at the year end to be healthy and broadly consistent with prior year.

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 LLP"). The security of the company's income in the medium term is mainly dependent on the operations of the LLP.

The principal activity of the LLP is the provision of venture capital investment management services to venture capital investment funds. At the end of the year, the LLP has three venture capital investment funds under management, of which two funds are nearing the end of their term within the next two years. The LLP is in the process of raising a new fund and the liquidity of the LLP in the medium term is dependent on the success of the fund raising.

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the report and accounts.

Financial results and dividends

Advent Limited made a profit of £297,450 for the year before taxation (2008: £241,559) and a profit after taxation of £303,031 (2008: £257,605). No interim dividend was paid during the year (2008: £nil). The directors do not propose to pay a dividend for the full year (2009: nil).

Directors

The directors who held office during the year were as follows:

L.I. Gabb	M.A. McNair
J.C. Benjamin (resigned 31 December 2008)	P.P. Lee (Resigned 23 January 2009)
P.A Baines	
N.J. Teasdale (resigned 31 December 2008)	

Directors' interests

No director had an interest in the ordinary shares of the company during the year ended 31 March 2009.

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 (2008: nil).

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

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

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
6 July 2009

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 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

We have audited the financial statements of Advent Limited (the "financial statements") for the year ended 31 March 2009 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 2009 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

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London EC4Y 8BB

6 July 2009

Profit and Loss Account

For the year ended 31 March 2009

	Note s	2009 £	2008 £
Turnover	2	2,885,259	2,890,897
Staff costs	3	(1,189,742)	(1,094,728)
Depreciation	7	(89,631)	(176,608)
Other operating charges	5	(2,030,522)	(1,397,226)
Other income		700,000	-
Operating profit	5	275,364	222,335
Net capital gain on liquidation of subsidiary		2,945	-
Interest receivable and similar income		19,141	19,224
Profit on ordinary activities before taxation		297,450	241,559
Tax credit on profit on ordinary activities	6	5,581	16,046
Profit for the financial year		303,031	257,605

There were no recognised gains or losses other than profit of £303,031 for the year ended 31 March 2009 (2008: £257,605).

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 2009

	Notes	2009 £	2008 £
Non-current assets			
Tangible fixed assets	7	299,379	126,132
Investments in subsidiary undertakings	8	17,918	17,918
Loan receivables	9	-	118,066
Deferred taxation	12	47,687	37,274
		<u>364,984</u>	<u>299,390</u>
Current assets			
Debtors	10	2,898,087	2,989,263
Loan receivables	9	-	87,887
Cash at bank and in hand		64,758	263,499
		<u>2,962,845</u>	<u>3,340,639</u>
Creditors: Amounts falling due within one year	11	<u>(520,631)</u>	<u>(1,135,862)</u>
Net current assets		<u>2,442,214</u>	<u>2,204,777</u>
Total assets less current liabilities		<u>2,807,198</u>	<u>2,504,167</u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account		2,806,198	2,503,167
Equity shareholders' funds	14	<u>2,807,198</u>	<u>2,504,167</u>

These accounts were approved by the Board on 6 July 2009 and signed on their behalf by:



P.A. BAINES
Director



L.I. GABB
Director

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

Notes to the Financial Statements

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.

As noted in the directors' report, the accounts have been prepared on a going concern basis.

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) 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

d) 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.

e) Investments

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

f) 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.

g) 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)**

h) 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.

i) 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.

j) 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 section 228 Companies Act 1985.

2. **Turnover**

	2009 £	2008 £
Other income	215,501	307,076
Income from supply of services to subsidiary	71,730	-
Income from supply of services to the parent	2,598,028	2,583,821
	<u>2,885,259</u>	<u>2,890,897</u>

Included within other income is an amount of £14,593 (2008: £111,130) resulting from rent receivable under a sublease arrangement with a tenant at 25 Buckingham Gate, London, SW1E 6LD.

3. **Staff costs**

	2009 £	2008 £
Employee costs (including salaried directors):		
Wages and salaries	971,244	899,569
Social security costs	119,441	107,869
Other pension costs	99,057	87,290
	<u>1,189,742</u>	<u>1,094,728</u>

Average number of employees: 12 (2008: 12)

Split between: Investment: 4 (2008: 3); Administration: 8 (2008: 9)

4. **Directors' emoluments**

None of the other directors received and remuneration from the company.

5. **Operating profit**

Operating profit is stated after charging/(crediting):

	2009 £	2008 £
Operating lease rentals - land and buildings	350,311	373,250
Auditors' remuneration:		
Audit of financial statements pursuant to legislation	7,098	5,413
Provision for loan receivables	135,000	-
Provision for interest receivable written back	(11,547)	(10,982)
Net credit of provision for bad and doubtful debts	(2,036)	(40,208)
Net intercompany loan written off	91,204	-

Fundraising costs of £434,000 have been recognised in other operating costs given the uncertainty around their recoverability.

6. **Tax on profit on ordinary activities**

	2009 £	2008 £
Corporation tax	4,832	-
Deferred tax credit	(10,413)	(16,046)
Tax credit on profit on ordinary activities	<u>(5,581)</u>	<u>(16,046)</u>

6. **Tax on profit on ordinary activities (continued)**

Factors affecting current tax charge for the year:

	2009 £	2008 £
Profit on ordinary activities before tax	<u>297,450</u>	<u>241,559</u>
Corporation tax at 28% (2008: 30%)	83,286	72,468
Effects of:		
Dividend income not taxable	(196,000)	-
Expenses not deductible for tax purposes	187,050	5,370
Depreciation in excess of capital allowances for period	8,158	35,477
Utilisation of brought forward losses	(5,187)	(8,733)
Group relief claimed not for payment	<u>(72,475)</u>	<u>(104,582)</u>
	<u>4,832</u>	<u>-</u>

7. **Tangible fixed assets**

	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost:			
At 1 April 2008	470,750	777,595	1,248,345
Additions	<u>247,887</u>	<u>14,991</u>	<u>262,878</u>
At 31 March 2009	<u>718,637</u>	<u>792,586</u>	<u>1,511,223</u>
Depreciation:			
At 1 April 2008	380,858	741,355	1,122,213
Charge for year	<u>63,528</u>	<u>26,103</u>	<u>89,631</u>
At 31 March 2009	<u>444,386</u>	<u>767,458</u>	<u>1,211,844</u>
Net book value at 31 March 2009	<u>274,251</u>	<u>25,128</u>	<u>299,379</u>
Net book value at 31 March 2008	<u>89,892</u>	<u>36,240</u>	<u>126,132</u>

8. Investments in subsidiary undertakings

a) Investments in subsidiary undertakings

	2009 £	2008 £
Subsidiary undertakings (note 17)	17,918	17,918
	<u>17,918</u>	<u>17,918</u>

b) Investment movements

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

	Subsidiary undertakings £
Net book value at 1 April 2008 and 31 March 2009	<u>17,918</u>
Book cost at 31 March 2009	17,918
Provision for diminution in value	-
Net book value at 31 March 2009	<u>17,918</u>

9. Loan receivables

	2009 £	2008 £
Loan receivables	135,000	217,500
Provision	<u>(135,000)</u>	<u>(11,547)</u>
Net loan receivables	<u>-</u>	<u>205,953</u>
Minimum loan receipts:		
Within one year	-	90,000
In two to three years	<u>-</u>	<u>127,500</u>
	-	217,500
Less future finance income	<u>-</u>	<u>(11,547)</u>
Net book value at 31 March 2009	<u>-</u>	<u>205,953</u>

9. **Loan receivables (continued)**

	2009	2008
	£	£
Present value of loan receivables analysed as:		
Due within one year	-	87,887
Due after one year	-	118,066
	<u>-</u>	<u>205,953</u>

The loan receivables bore effective interest of 4.5% per annum.

10. **Debtors**

	2009	2008
	£	£
Trade debtors	1,537	95,088
Less provision for doubtful debts	(1,495)	(15,081)
Net trade debtors	42	80,007
Amounts owed by parent	2,502,949	2,647,489
Amounts owed by subsidiaries	152,251	68,366
Other debtors	23,745	8,735
Prepayments and accrued income	195,471	184,646
VAT	23,629	-
	<u>2,898,087</u>	<u>2,989,263</u>

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

	2009	2008
	£	£
Trade and other creditors	81,874	82,169
Amounts owed to other subsidiaries	300,095	891,932
Accruals	101,089	124,239
Other taxes and social security	32,741	32,484
Corporation Tax	4,832	-
VAT	-	5,038
	<u>520,631</u>	<u>1,135,862</u>

12. Deferred taxation

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

	2009 £	2008 £
Deferred tax charge in profit & loss account:		
Asset at 1 April	37,274	21,228
Credit for the year	10,413	16,046
Asset at 31 March	<u>47,687</u>	<u>37,274</u>

13. Called up share capital

	Authorised, allotted, called up and fully paid			
	2009 No	2009 £	2008 No	2008 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

14. Reconciliation of movements in equity shareholders' funds

	2009 £	2008 £
Shareholders' funds at 1 April	2,504,167	2,246,562
Profit for the financial year after taxation	303,031	257,605
Shareholder's funds at 31 March	<u>2,807,198</u>	<u>2,504,167</u>

15. Other financial commitments

At 31 March 2009 the company had annual commitments under non-cancellable operating leases for its land and buildings as set out below:

	2009 £	2008 £
Operating leases which expire:		
Within one year	-	-
In two to five years	319,739	319,739
	<u>319,739</u>	<u>319,739</u>

As at 31 March 2009 the company had a capital commitment of £nil (2008: £185,000) in respect of leasehold improvements. There were no other commitments at the balance sheet date.

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 pensioner. The company employees are members of personal defined contribution schemes to which the company contributes. The pension cost charge for the year of £99,057 (2008: £87,290) represents contributions payable by the company to the various employee funds.

17. Particulars of subsidiary undertakings

The following are the subsidiary undertakings at 31 March 2009.

Advent Management Limited

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

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

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

Advent Management IV Limited

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

Advent 2 Fund Managers Limited

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

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

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

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

A wholly owned subsidiary of the company Registered in Germany.	(Issued share capital of 25,000 €1 ordinary shares.)
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17. **Particulars of subsidiary undertakings (continued)**

Advent Management II Limited Partnership ("AML2")

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.

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

English limited partnerships whose principal place of business is at 25 Buckingham Gate, London SW1E 6LD and of which AML2 is in each case the general partner. Subsidiary undertakings of AML2 by virtue of Section 258(2)(c)(i) of the Companies Act 1985 as amended.

Advent Management III Limited Partnership ("AML3")

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.

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

English limited partnerships whose principal place of business is at 25 Buckingham Gate, London SW1E 6LD and of which AML3 is in each case the general partner. Subsidiary undertakings of AML3 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 AML3 is the managing limited partner. A subsidiary undertaking of AML3 by virtue of Section 258(2)(c)(i) of the Companies Act 1985 as amended.

Advent Management IV Limited Partnership ("AML4")

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 AML4 is the general partner. Subsidiary undertaking of AML4 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 year ended 31 March 2009, the charge to the LLP was £2,598,028 (2008:£2,583,821) 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.