

**Advent Limited**  
Annual Report and Accounts  
for the year ended 31 March 2011

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

THURSDAY



\*AWE7QVMY\*

A29

07/07/2011

136

COMPANIES HOUSE

## **Contents**

---

Directors' Report	1
Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements	3
Independent Auditor's Report to the Members of Advent Limited	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

## Directors' Report

---

The directors have pleasure in submitting the annual report and accounts of the company for the year ended 31 March 2011

### 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 the 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

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 £578,899 for the year before taxation (2010 loss £348,342) and a profit after taxation of £582,853 (2010 £380,534). No interim dividend was paid during the year (2010 £nil). The directors do not propose to pay a dividend for the full year (2010 £nil).

### Directors

The directors who held office during the year were as follows

L I Gabb	R B Parekh
P A Baines	M H Chalfen (appointed 10 November 2010)
M S A Malik	F P Court (appointed 3 November 2010)

### Directors' interests

No director had an interest in the ordinary shares of the company during the year ended 31 March 2011

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 (2010 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 485 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  
4 July 2011

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

Under company law the directors 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 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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

We have audited the financial statements of Advent Limited for the year ended 31 March 2011 set out on pages 6 to 7. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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 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
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Iain Bannatyne (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
*Chartered Accountants*

8 Salisbury Square  
London  
EC4Y 8BB

4 July 2011

## Profit and Loss Account

For the year ended 31 March 2011

	Notes	2011 £	2010 £
<b>Turnover</b>	2	2,060,227	2,589,246
Staff costs	3	(868,849)	(960,501)
Depreciation	8	(94,482)	(94,237)
Other operating charges	5	<u>(519,716)</u>	<u>(1,882,855)</u>
Operating Profit/(loss)	5	577,180	(348,347)
Interest receivable and similar income	6	<u>1,719</u>	<u>5</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		578,899	(348,342)
Tax credit/(charge) on Profit/(loss) on ordinary activities	7	3,954	(32,192)
<b>Profit/(loss) for the financial year</b>		<u>582,853</u>	<u>(380,534)</u>

There were no recognised gains or losses other than the profit of £582,853 for the year ended 31 March 2011 (2010 loss £380,534)

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

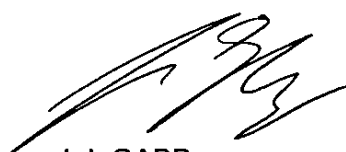
As at 31 March 2011

	Notes	2011 £	2010 £
<b>Non-current assets</b>			
Tangible fixed assets	8	174,994	244,190
Investments in subsidiary undertakings	9	17,916	17,918
Deferred taxation	12	28,946	27,617
		<u>221,856</u>	<u>289,725</u>
<b>Current assets</b>			
Debtors	10	3,195,684	2,534,130
Cash at bank and in hand		114,915	76,246
		<u>3,310,599</u>	<u>2,610,376</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(522,938)</u>	<u>(473,437)</u>
<b>Net current assets</b>		<u>2,787,661</u>	<u>2,136,939</u>
<b>Total assets less current liabilities</b>		<u>3,009,517</u>	<u>2,426,664</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,000	1,000
Profit and loss account		3,008,517	2,425,664
<b>Equity shareholders' funds</b>	14	<u>3,009,517</u>	<u>2,426,664</u>

These accounts were approved by the Board on 4 July 2011 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 applicable accounting standards and under the historical cost accounting rules

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 the Companies Act 2006.

## 2 Turnover

	2011 £	2010 £
Other income	125,035	42,125
Income from supply of services to subsidiary	56,332	69,889
Income from supply of services to the parent	1,878,860	2,477,232
	<u>2,060,227</u>	<u>2,589,246</u>

Included within other income is an amount of £60,000 (2010 £39,500) resulting from rent receivable under a sublease arrangement with a tenant at 25 Buckingham Gate, London, SW1E 6LD.

## 3 Staff costs

	2011 £	2010 £
Employee costs		
Wages and salaries	698,325	768,617
Social security costs	81,647	91,796
Other pension costs	88,877	100,088
	<u>868,849</u>	<u>960,501</u>

Average number of employees 10 (2010 11)

Split between Investment 2 (2010 3), Administration 8 (2010 8)

**4 Directors' emoluments**

None of the directors received any remuneration from the company.

**5 Operating profit**

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Operating lease rentals - land and buildings	319,739	319,739
Auditors' remuneration		
Audit of financial statements pursuant to legislation	16,540	9,096
Release of provision for loan receivables	-	(60,000)
Net credit of provision for bad and doubtful debts	-	(620)
Net intercompany loan written off	258,029	359,487

Operating costs include a recoverable cost of £821,000 relating to the fundraising for Advent Life Sciences Fund I. Of the total recoverable amount, £750,000 was recovered from Advent Life Sciences Fund I, and £71,000 from Advent Life Sciences LLP.

**6 Interest receivable and similar income**

	2011 £	2010 £
Bank Interest	258	5
Dividend receivable	1,461	-
	<u>1,719</u>	<u>5</u>

**7 Tax on profit on ordinary activities**

	2011 £	2010 £
Corporation tax	(2,625)	12,122
Deferred tax charge/(credit)	(1,329)	20,070
Tax charge/(credit) on profit on ordinary activities	<u>(3,954)</u>	<u>32,192</u>

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

### Factors affecting current tax charge for the year

	2011 £	2010 £
Profit/(loss) on ordinary activities before tax	578,899	(348,342)
Corporation tax at 28% (2010 28%)	162,092	(97,536)
Effects of		
Expenses not deductible for tax purposes	(160,212)	186,803
Depreciation in excess of capital allowances for period	12,449	10,648
Group relief claimed not for payment	-	(99,915)
(Over)/under provision from prior year	(16,954)	12,122
	<u>(2,625)</u>	<u>12,122</u>

### Factors that may affect future tax charges

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the deferred tax balance as at 31 March 2011 should have been included in the figures above but it is not expected this will be material.

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and therefore the effect of the rate would create an additional reduction in the deferred tax asset. This has not been reflected in the figures above as it is not expected that this will be material.

The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above.

## 8 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2010	718,637	831,634	1,550,271
Additions	-	25,286	25,286
At 31 March 2011	718,637	856,920	1,575,557
Depreciation			
At 1 April 2010	512,948	793,133	1,306,081
Charge for year	68,562	25,920	94,482
At 31 March 2011	581,510	819,053	1,400,563
<b>Net book value at 31 March 2011</b>	<b>137,127</b>	<b>37,867</b>	<b>174,994</b>
Net book value at 31 March 2010	205,689	38,501	244,190

## 9 Investments in subsidiary undertakings

### a) Investments in subsidiary undertakings

	2011 £	2010 £
Subsidiary undertakings (note 17)	17,916	17,918
	<u>17,916</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 2010 and 31 March 2011	<u>17,918</u>
Book cost at 31 March 2011	17,918
Disposal of subsidiary undertaking	(2)
<b>Net book value at 31 March 2011</b>	<b><u>17,916</u></b>

**10 Debtors**

	2011	2010
	£	£
Trade debtors	103,127	19,213
Less provision for doubtful debts	<u>(1,495)</u>	<u>(1,495)</u>
Net trade debtors	101,632	17,718
Amounts owed by parent	2,302,703	2,135,161
Amounts owed by subsidiaries	128,280	150,294
Other debtors	516,001	59,889
Prepayments and accrued income	140,472	140,579
VAT	<u>6,596</u>	<u>30,489</u>
	<u>3,195,684</u>	<u>2,534,130</u>

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

	2011	2010
	£	£
Trade and other creditors	2,071	59,512
Amounts owed to other subsidiaries	300,312	300,227
Accruals	185,228	89,922
Other taxes and social security	20,997	23,776
Corporation Tax	<u>14,330</u>	<u>-</u>
	<u>522,938</u>	<u>473,437</u>

**12 Deferred taxation**

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

	2011	2010
	£	£
Deferred tax charge in profit & loss account		
Asset at 1 April	27,617	47,687
(Charge)/credit for the year	<u>1,329</u>	<u>(20,070)</u>
Asset at 31 March	<u>28,946</u>	<u>27,617</u>

**13 Called up share capital**

	Authorised, allotted, called up and fully paid			
	2011	2011	2010	2010
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

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

	2011 £	2010 £
Shareholders' funds at 1 April	2,426,664	2,807,198
Profit/(loss) for the financial year after taxation	582,853	(380,534)
Shareholder's funds at 31 March	<u>3,009,517</u>	<u>2,426,664</u>

**15 Other financial commitments**

At 31 March 2011 the company had annual commitments under non-cancellable operating leases for its land and buildings as set out below

	2011 £	2010 £
Operating leases which expire		
Within one year	-	-
In two to five years	319,739	319,739
	<u>319,739</u>	<u>319,739</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 pensioner. The company employees are members of personal defined contribution schemes to which the company contributes. The pension cost charge for the year of £88,877 (2010 £100,088) 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 2011

### **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 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 )

### **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 1162 (2)(c)(i) of the Companies Act 2006

<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 AML2 is in each case the general partner. Subsidiary undertakings of AML2 by virtue of Section 1162(2)(c)(i) of the Companies Act 2006

## Particulars of subsidiary undertakings (continued)

### 17 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 1162 (2)(c)(i) of the Companies Act 2006

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 AMLP3 is in each case the general partner. Subsidiary undertakings of AMLP3 by virtue of Section 1162(2)(c)(i) of the Companies Act 2006

#### 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 1162(2)(c)(i) of the Companies Act 2006

### Advent Management IV Limited Partnership ("AMLP4")

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 1162 (2)(c)(i) of the Companies Act 2006

#### Advent Private Equity Fund IV

English limited partnership whose principal place of business is at 25 Buckingham Gate, London SW1E 6LD and of which AMLP4 is the general partner. Subsidiary undertaking of AMLP4 by virtue of Section 1162(2)(c)(i) of the Companies Act 2006

### 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 2011, the charge to the LLP was £1,878,860 (2010 £2,477,232) 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