

Advent Limited
Annual Report and Accounts
for the year ended 31 March 2010

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 2010

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 loss of £348,342 for the year before taxation (2009 profit £297,450) and a loss after taxation of £380,534 (2009 £303,031) No interim dividend was paid during the year (2009 £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
P A Baines
M S A Maik (Appointed 28 July 2009)

M A McNair (Resigned 11 August 2009)
R B Parekh (Appointed 28 July 2009)

Directors' interests

No director had an interest in the ordinary shares of the company during the year ended 31 March 2010

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 (2009 nil)

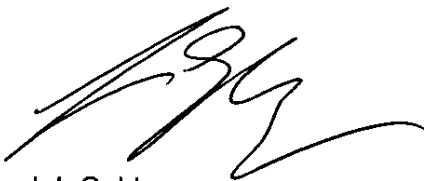
Disclosure of information to auditors

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
5 July 2010

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 (the "financial statements") for the year ended 31 March 2010 which comprise of the Profit and Loss Account and the Balance Sheet, and the related notes. These 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 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/UKNP

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 2010 and of its loss 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

5 July 2010

Profit and Loss Account

For the year ended 31 March 2010

	Notes	2010 £	2009 £
Turnover	2	2,589,246	2,885,259
Staff costs	3	(960,501)	(1,189,742)
Depreciation	7	(94,237)	(89,631)
Other operating charges	5	(1,882,855)	(2,030,522)
Other income		-	700,000
Operating (loss)/profit	5	(348,347)	275,364
Net capital gain on liquidation of subsidiary		-	2,945
Interest receivable and similar income		5	19,141
(Loss)/profit on ordinary activities before taxation		(348,342)	297,450
Tax (charge)/credit on loss/profit on ordinary activities	6	(32,192)	5,581
(Loss)/profit for the financial year		(380,534)	303,031

There were no recognised gains or losses other than the loss of £380,534 for the year ended 31 March 2010 (2009 profit £303,031)

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

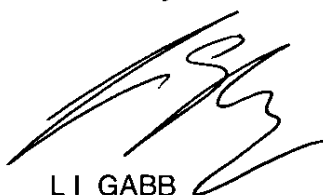
As at 31 March 2010

	Notes	2010 £	2009 £
Non-current assets			
Tangible fixed assets	7	244,190	299,379
Investments in subsidiary undertakings	8	17,918	17,918
Deferred taxation	11	27,617	47,687
		<u>289,725</u>	<u>364,984</u>
Current assets			
Debtors	9	2,534,130	2,898,087
Cash at bank and in hand		76,246	64,758
		<u>2,610,376</u>	<u>2,962,845</u>
Creditors: Amounts falling due within one year	10	(473,437)	(520,631)
Net current assets		<u>2,136,939</u>	<u>2,442,214</u>
Total assets less current liabilities		<u>2,426,664</u>	<u>2,807,198</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account		2,425,664	2,806,198
Equity shareholders' funds	13	<u>2,426,664</u>	<u>2,807,198</u>

These accounts were approved by the Board on 5 July 2010 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

	2010 £	2009 £
Other income	42,125	215,501
Income from supply of services to subsidiary	69,889	71,730
Income from supply of services to the parent	2,477,232	2,598,028
	<u>2,589,246</u>	<u>2,885,259</u>

Included within other income is an amount of £39,500 (2009 £14,593) resulting from rent receivable under a sublease arrangement with a tenant at 25 Buckingham Gate, London, SW1E 6LD

3 Staff costs

	2010 £	2009 £
Employee costs		
Wages and salaries	768,617	971,244
Social security costs	91,796	119,441
Other pension costs	100,088	99,057
	<u>960,501</u>	<u>1,189,742</u>

Average number of employees 11 (2009 12)

Split between Investment 3 (2009 4), Administration 8 (2009 8)

4 Directors' emoluments

None of the directors received any remuneration from the company

5 Operating profit

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Operating lease rentals - land and buildings	319,739	350,311
Auditors' remuneration		
Audit of financial statements pursuant to legislation	9,096	7,098
Release of provision for loan receivables	(60,000)	135,000
Provision for interest receivable written back	-	(11,547)
Net credit of provision for bad and doubtful debts	(620)	(2,036)
Net intercompany loan written off	359,487	91,204

Fundraising costs of £258,018 (2009 £434,000) have been recognised in other operating costs given the uncertainty around their recoverability

6 Tax on profit on ordinary activities

	2010 £	2009 £
Corporation tax	12,122	4,832
Deferred tax charge/(credit)	20,070	(10,413)
Tax charge/(credit) on profit on ordinary activities	32,192	(5,581)

6 Tax on profit on ordinary activities (continued)

Factors affecting current tax charge for the year

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	(348,342)	297,450
Corporation tax at 28% (2009 28%)	(97,536)	83,286
Effects of		
Dividend income not taxable	-	(196,000)
Expenses not deductible for tax purposes	186,803	187,050
Depreciation in excess of capital allowances for period	10,648	8,158
Utilisation of brought forward losses	-	(5,187)
Group relief claimed not for payment	(99,915)	(72,475)
Under provision from prior year	12,122	-
	<u>12,122</u>	<u>4,832</u>

7 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2009	718,637	792,586	1,511,223
Additions	<u>-</u>	<u>39,048</u>	<u>39,048</u>
At 31 March 2010	<u>718,637</u>	<u>831,634</u>	<u>1,550,271</u>
Depreciation			
At 1 April 2009	444,386	767,458	1,211,844
Charge for year	<u>68,562</u>	<u>25,675</u>	<u>94,237</u>
At 31 March 2010	<u>512,948</u>	<u>793,133</u>	<u>1,306,081</u>
Net book value at 31 March 2010	<u>205,689</u>	<u>38,501</u>	<u>244,190</u>
Net book value at 31 March 2009	<u>274,251</u>	<u>25,128</u>	<u>299,379</u>

8 Investments in subsidiary undertakings

a) Investments in subsidiary undertakings

	2010 £	2009 £
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 2009 and 31 March 2010	<u>17,918</u>
Book cost at 31 March 2010	17,918
Provision for diminution in value	-
Net book value at 31 March 2010	<u>17,918</u>

9 Debtors

	2010 £	2009 £
Trade debtors	19,213	1,537
Less provision for doubtful debts	<u>(1,495)</u>	<u>(1,495)</u>
Net trade debtors	17,718	42
Amounts owed by parent	2,135,161	2,502,949
Amounts owed by subsidiaries	150,294	152,251
Other debtors	59,889	23,745
Prepayments and accrued income	140,579	195,471
VAT	<u>30,489</u>	<u>23,629</u>
	<u>2,534,130</u>	<u>2,898,087</u>

10 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade and other creditors	59,512	81,874
Amounts owed to other subsidiaries	300,227	300,095
Accruals	89,922	101,089
Other taxes and social security	23,776	32,741
Corporation Tax	-	4,832
	<u>473,437</u>	<u>520,631</u>

11 Deferred taxation

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

	2010	2009
	£	£
Deferred tax charge in profit & loss account		
Asset at 1 April	47,687	37,274
(Charge)/credit for the year	<u>(20,070)</u>	<u>10,413</u>
Asset at 31 March	<u>27,617</u>	<u>47,687</u>

12 Called up share capital

	Authorised, allotted, called up and fully paid			
	2010	2010	2009	2009
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

13 Reconciliation of movements in equity shareholders' funds

	2010	2009
	£	£
Shareholders' funds at 1 April	2,807,198	2,504,167
(Loss)/profit for the financial year after taxation	<u>(380,534)</u>	<u>303,031</u>
Shareholder's funds at 31 March	<u>2,426,664</u>	<u>2,807,198</u>

14 Other financial commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases for its land and buildings as set out below

	2010 £	2009 £
Operating leases which expire		
Within one year	-	-
In two to five years	319,739	319,739
	<hr/> 319,739	<hr/> 319,739

15 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 £100,088 (2009 £99,057) represents contributions payable by the company to the various employee funds.

16 Particulars of subsidiary undertakings

The following are the subsidiary undertakings at 31 March 2010

Advent Management Limited

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

Advent Management II Limited

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

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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16 Particulars of subsidiary undertakings (continued)

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

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 AMLP2 is in each case the general partner. Subsidiary undertakings of AMLP2 by virtue of Section 1162(2)(c)(i) of the Companies Act 2006

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

17 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 2010, the charge to the LLP was £2,477,232 (2009 £2,598,028) in respect of services provided.

18 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.