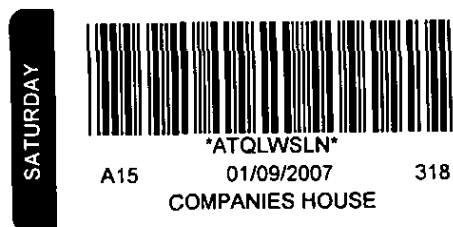


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Octopus Ventures Limited

Report and Accounts
30 April 2007



OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	C R Hulatt G B Myles S A Rogerson
Company Secretary	C R Hulatt
Registered Office	8 Angel Court London EC2R 7HP
Auditor	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	HSBC plc 31 Holborn London EC1N 2HR
Solicitors	Denton Wilde Sapte One Fleet Place London EC4M 7WS
Registered Number	3974202

DIRECTORS' REPORT

The directors present their report and the accounts of the company for the year ended 30 April 2007

Principal activities and business review

The principal activity of the company during the year was investment in a technology and biotechnology company

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached accounts

The directors have not recommended a dividend

Directors

The directors who served the company during the year were as follows

C R Hulatt
G B Myles
S A Rogerson

Directors' responsibilities

The directors are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare accounts for each financial year which 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 year

In preparing those accounts, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

A resolution to re-appoint Rees Pollock as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD



C R Hulatt

Director

29 August 2007



REES POLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCTOPUS VENTURES LIMITED

We have audited the accounts of Octopus Ventures Limited for the year ended 30 April 2007 on pages 5 to 10 which have been prepared on the basis of the accounting policies set out on page 7

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the accounts. 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 the 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion

the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its loss for the year then ended, the accounts have been properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the accounts for the year ended 30 April 2007.

Rees Pollock
Rees Pollock

Chartered Accountants & Registered Auditors

30 August 2007

PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2007

	Note	Year to 30 Apr 07 £	Period from 1 Jan 05 to 30 Apr 06 £
TURNOVER	2	—	—
Administrative expenses		30	59
OPERATING LOSS		(30)	(59)
Interest receivable		1	150
Amounts written off investments		(772,504)	—
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(772,533)	91
Tax on (loss)/profit on ordinary activities	4	—	—
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(772,533)</u>	<u>91</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

pages 7 to 10

The notes on page 5 form part of these accounts

Octopus Ventures Limited

BALANCE SHEET

at 30 April 2007

	Note	£	2007 £	2006 £
FIXED ASSETS				
Investments	5		—	772,504
CURRENT ASSETS				
Cash at bank		23		23
CREDITORS: amounts falling due within one year	6	<u>2,791,378</u>		<u>2,791,349</u>
NET CURRENT LIABILITIES			<u>(2,791,355)</u>	<u>(2,791,326)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,791,355)</u>	<u>(2,018,822)</u>
CAPITAL AND RESERVES				
Called-up equity share capital	8		1	1
Profit and loss account	9		<u>(2,791,356)</u>	<u>(2,018,823)</u>
DEFICIT	10		<u>(2,791,355)</u>	<u>(2,018,822)</u>

The accounts on pages 5 to 10 were approved by the board of directors on 29 August 2007 and signed on its behalf by



C R Hulatt
Director

pages 7 to 10

The notes on ~~page 6~~ form part of these accounts

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Going concern

The directors have considered the company's ability to continue as a going concern. As the group companies have confirmed that they will not call in their debt for at least twelve months, the accounts have been prepared on the going concern basis.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that the company is small.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Fixed asset investments

Fixed asset investments are stated at cost less any provision for permanent diminution of value.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company carried out wholly in the UK.

NOTES TO THE ACCOUNTS
for the year ended 30 April 2007

3. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year

4. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	Year to 30 Apr 07	Period from 1 Jan 05 to 30 Apr 06
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(772,533)</u>	<u>91</u>
(Loss)/profit on ordinary activities multiplied by the rate of tax	(231,760)	27
Expenses not deductible for tax purposes	231,751	~
Movement in tax losses	~	(27)
Group relief surrendered	<u>9</u>	<u>~</u>
Total current tax	<u>~</u>	<u>~</u>

5. INVESTMENTS

	Unlisted investments £
Cost	
At 1 May 2006 and 30 April 2007	<u>1,272,504</u>
Amounts written off	
At 1 May 2006	500,000
Written off in year	<u>772,504</u>
At 30 April 2007	<u>1,272,504</u>
Net book value	
At 30 April 2007	<u>~</u>
At 30 April 2006	<u>772,504</u>

6. CREDITORS amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	<u>2,791,378</u>	<u>2,791,349</u>

NOTES TO THE ACCOUNTS
for the year ended 30 April 2007

7. DEFERRED TAXATION

No provision has been made in the accounts and the amounts unprovided at the end of the year are as follows

	Year to 30 Apr 07	Period from 1 Jan 05 to 30 Apr 06
	£	£
Tax losses available	447,082	447,082
Other timing differences	381,751	150,000
	<u>828,833</u>	<u>597,082</u>

Other timing differences relate to impairment losses on investments at 30% (2006 30%)

The deferred tax asset will only crystallise in the event of the company making future taxable profits. At present the directors feel that this is insufficiently certain to support the recognition of the asset

8. SHARE CAPITAL

Authorised share capital

	2007	2006
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

9. PROFIT AND LOSS ACCOUNT

	Year to 30 Apr 07	Period from 1 Jan 05 to 30 Apr 06
	£	£
Balance brought forward	(2,018,823)	(2,018,914)
(Loss)/profit for the financial year	(772,533)	91
Balance carried forward	<u>(2,791,356)</u>	<u>(2,018,823)</u>

NOTES TO THE ACCOUNTS
for the year ended 30 April 2007

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
(Loss)/profit for the financial year	(772,533)	91
Opening shareholders' deficit	<u>(2,018,822)</u>	<u>(2,018,913)</u>
Closing shareholders' deficit	<u>(2,791,355)</u>	<u>(2,018,822)</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent undertaking of the company is Octopus Capital Limited, a company incorporated in England and Wales

Copies of group accounts can be obtained from The Secretary, Octopus Capital Limited, 8 Angel Court, London, EC2R 7HP