

HARDT GROUP CAPITAL PARTNERS LIMITED

**Annual report
for the year ended 31 December 2007**

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Hardt Group Capital Partners Limited

Annual report For the year ended 31 December 2007

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Hardt Group Capital Partners Limited

Directors and advisors

Directors

Dr Mathias Hink	<i>Executive Chairman</i>
Dr Ion Florescu	<i>Executive</i>
Dr Stefan Henrich	<i>Non-executive</i>

Secretary

Niel Redpath FCA

Registered office

42, Berkeley Square
London W1J 5AW

Bankers

HSBC Bank plc
133 Regent Street
London W1B 4HX

Registered auditors

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London SE1 2RD

Hardt Group Capital Partners Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the group was the provision of fund management and advisory services for private equity investments, through Kingsbridge Capital Advisors Limited ('KCAL'), which was a subsidiary of Hardt Group Capital Partners Limited ('HGCP') until 19 December 2007. KCAL is regulated by the Financial Services Authority ('FSA').

Review of business

In the opinion of the Directors, the results for the period and the state of the company's affairs at 31 December 2007 are satisfactory. Following the sale of KCAL and the subsequent sale of HGCP's net assets and liabilities to KCAL on 19 December 2007 and 1 January 2008 respectively, HGCP will become dormant.

Results for the year and dividends

The group's loss for the year after taxation was £289,539 (2006 profit of £139,043). The directors do not recommend the payment of a dividend (2006 £nil).

Principal risks and uncertainties

The management of the business and the execution of its strategy are subject to little risk now the company is dormant. However, the Directors consider the key business risk and uncertainty affecting the company is the failure of Kingsbridge Capital Management GP Limited, in which the company has a 50% shareholding, the Directors do however consider this risk to be negligible.

Key performance indicators

Given the nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Hardt Group Capital Partners Limited

Directors' report for the year ended 31 December 2007 (continued)

Directors

The directors who held office during the year are given below

Dr Mathias Hink	
Dr Ion Florescu	
Dr Stefan Henrich	(appointed 14 December 2007)
Mohammed Amersi	(resigned 14 December 2007)
David Elstein	(resigned 14 December 2007)
John Wallinger	(resigned 14 December 2007)
Jeff Landle	(resigned 14 December 2007)
Alexander Schweickhardt	(resigned 14 December 2007)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and the group for that period

In preparing those financial statements the directors are required to

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the group will continue in business, in which case there should be supporting assumptions or qualifications as necessary. This statement should cover the parent company and the group as a whole

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hardt Group Capital Partners Limited

Directors' report for the year ended 31 December 2007 (continued)

Disclosure of information to the auditors

So far as the directors are aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps they might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information
- the information given in the directors' report is consistent with the financial statements

Auditors

The Company has passed an elective resolution to dispense with the obligation to re-appoint auditors annually in accordance with Section 386 of the Companies Act 1985

By order of the Board



Dr. Mathias Hink
Director

19 August 2008

Hardt Group Capital Partners Limited

Independent auditors' report to the members of Hardt Group Capital Partners Limited

We have audited the group and parent company financial statements (the "financial statements") of Hardt Group Capital Partners Limited for the year ended 31 December 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 group's and 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.

Hardt Group Capital Partners Limited

Independent auditors' report to the members of Hardt Group Capital Partners Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's loss and cash flows 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



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

19 August 2008

Hardt Group Capital Partners Limited

Consolidated profit and loss account for the year ended 31 December 2007

	Note	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Turnover			
Continuing operations		64,099	470,114
Discontinued operations		5,779,068	1,511,555
Group turnover	2	5,843,167	1,981,669
Administrative expenses			
Continuing operations		(1,771,659)	(662,421)
Discontinued operations		(5,676,747)	(1,163,287)
Group administrative expenses		(7,448,406)	(1,825,708)
Operating (loss) / profit			
Continuing operations		(1,707,560)	(192,307)
Discontinued operations		102,321	348,268
Group operating (loss) / profit	5	(1,605,239)	155,961
Share of operating profit / (loss) in associates		1,622,861	(6,052)
Operating profit including associates		17,622	149,909
Interest receivable and similar income		31,850	19,605
Loss on sale of subsidiaries – discontinued operations	6	(87,815)	-
Loss on sale of interest in associates – discontinued operations	6	(12,928)	-
(Loss) / profit on ordinary activities before taxation		(51,271)	169,514
Tax on (loss) / profit on ordinary activities	7	(238,268)	(30,471)
(Loss) / profit for the financial year	16, 17	(289,539)	139,043

The group has no recognised gains and losses other than the losses / profits above and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the loss / profit on ordinary activities before taxation and the loss / profit for the financial year stated above and their historical cost equivalents

The notes on pages 11 to 22 form an integral part of the financial statements

Hardt Group Capital Partners Limited

Consolidated balance sheet as at 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	9	9,518	11,814
Investments in associates	10	-	4,124
		<u>9,518</u>	<u>15,938</u>
Current assets			
Debtors	11	220,418	294,622
Cash at bank and in hand	19	1,298,972	1,091,847
		<u>1,519,390</u>	<u>1,386,469</u>
Creditors: amounts falling due within one year	12	<u>(1,583,308)</u>	<u>(1,161,216)</u>
Net current (liabilities) / assets		<u>(63,918)</u>	<u>225,253</u>
Total assets less current liabilities		<u>(54,400)</u>	<u>241,191</u>
Provisions for liabilities	13	-	(6,052)
Net (liabilities) / assets		<u>(54,400)</u>	<u>235,139</u>
Capital and reserves			
Called up share capital	14	344,706	344,706
Share premium account	15	363,830	363,830
Profit and loss reserve	16	(762,936)	(473,397)
Total shareholders' funds	17	<u>(54,400)</u>	<u>235,139</u>

The financial statements on pages 7 to 22 were approved by the Board of Directors on 19 August 2008 and were signed on its behalf by



Dr Mathias Hink
Director

The notes on pages 11 to 22 form an integral part of the financial statements

Hardt Group Capital Partners Limited

Company balance sheet as at 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	9	9,518	11,814
Investments	10	<u>1</u>	<u>50,002</u>
		9,519	61,816
Current assets			
Debtors	11	220,418	24,951
Cash at bank and in hand		<u>1,298,972</u>	<u>172,601</u>
		1,519,390	197,552
Creditors: amounts falling due within one year	12	<u>(1,583,308)</u>	<u>(779,668)</u>
Net current liabilities		(63,918)	(582,116)
Net liabilities		<u>(54,399)</u>	<u>(520,300)</u>
Capital and reserves			
Called up share capital	14	344,706	344,706
Share premium account	15	363,830	363,830
Profit and loss reserve	16	<u>(762,935)</u>	<u>(1,228,836)</u>
Total shareholders' funds	17	<u>(54,399)</u>	<u>(520,300)</u>

The financial statements on pages 7 to 22 were approved by the Board of Directors on 19 August 2008 and were signed on its behalf by



Dr. Mathias Hink
Director

The notes on pages 11 to 22 form an integral part of the financial statements

Hardt Group Capital Partners Limited

Consolidated cash flow statement for the year ended 31 December 2007

	Note	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Net cash (outflow) / inflow from operating activities	18	(1,060,642)	308,529
Dividends received from associates		1,610,167	-
Returns on investments and servicing of finance			
Interest received		31,850	19,605
Net cash inflow from returns on investments and servicing of finance		581,375	328,134
Taxation		(33,358)	(42,087)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(4,658)	(8,743)
Net cash inflow from capital expenditure and financial investment		543,359	277,304
Acquisitions and disposals			
Sale of subsidiary undertakings		(87,954)	-
Purchase of associate undertakings		-	(326)
Purchase of other investments		-	(4,124)
Net cash outflow for acquisitions		(87,954)	(4,450)
Increase in cash in the year	19	455,405	272,854

Reconciliation of net cash flow to movement in net funds

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Net cash at 1 January	843,567	570,713
Increase in cash in the year	455,405	272,854
Net funds at 31 December	1,298,972	843,567

The notes on pages 11 to 22 form an integral part of the financial statements

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007

1 Accounting policies

Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards. A summary of the more important group accounting policies is set out below.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings. The results of subsidiary undertakings acquired during the period have been included from the date of acquisition. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Investment in associated undertakings is included in the consolidated financial statements where the group has a significant influence in the associate. The results and assets and liabilities of associates are accounted for using the equity method of accounting. Investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the group's share of net assets of the associate, less any impairment in value of individual investments. The profit and loss account includes the group's share of the results after tax of the associate.

Segmental analysis

The directors consider that the group has one class of business, being the provision of fund management and advisory services for private equity investments, and operates in UK and Europe.

Fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental expenses of acquisition.

Depreciation is provided on cost in equal annual instalments over the estimated useful economic lives of the assets concerned. The following annual rates are used:

Computer equipment	25 - 33% straight line
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Investments

Investments are shown at cost less any provision for impairment in value which the directors consider necessary.

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

1 Accounting policies (continued)

Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. The financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on the retranslation to sterling of overseas net assets as at the beginning of the year are taken direct to reserves. Other exchange differences are taken to the profit and loss account.

Turnover

Turnover represents the total invoiced value, which excludes value added tax, in respect of services supplied and recharged expenses.

2 Turnover

Geographical analysis

The geographical breakdown of turnover is

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Germany	16,049	470,114
Luxembourg	4,787,417	345,735
Jersey	1,036,317	1,165,820
UK	3,384	-
	<u>5,843,167</u>	<u>1,981,669</u>

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

3 Directors' emoluments

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Aggregate emoluments	<u>326,137</u>	<u>838,119</u>

The amounts set out above include remuneration of £145,068 paid to both of the two highest paid directors (2006 £453,309 was paid in respect of the highest paid director) These emoluments relate to executive director fees paid through Kingsbridge Capital Advisors Limited and non-executive fees paid by the company

4 Employee information

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Staff costs		
Wages and salaries	1,157,484	880,439
Social security costs	92,493	81,631
	<u>1,249,977</u>	<u>962,070</u>

The average number of persons, including directors employed by the group during the year was 6 (2006 4)

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

5 Operating (loss) / profit

Operating (loss) / profit is stated after charging

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Depreciation	4,397	2,209
Write down of fixed asset investment	-	326
Loss on disposal of fixed assets	224	-
Auditors' remuneration		
- audit	16,000	11,600
- non-audit		
tax services	61,295	5,000
the audit of company's subsidiaries pursuant to legislation	15,474	15,740
other services	29,375	8,500
Net exchange losses on foreign currency	9,196	11,425

6 Loss on sale of subsidiaries and interest in associate

Loss on sale of subsidiaries - discontinued operations

	Year ended 31 December 2007 £
Loss on disposal of Kingsbridge Capital Management GP Limited (Note 20)	(3,299)
Loss on disposal of Kingsbridge Capital Advisors Limited (Note 20)	(84,516)
Loss on sale of subsidiaries	(87,815)
Taxation	32,648

On 23 August 2007 the group partially disposed of Kingsbridge Capital Management GP Ltd, a wholly owned subsidiary, by selling one of the two shares it owned at par value of £1 in cash, to Hardt Group Investments AG. The group retained 50% of ownership as an associate of £6,612 (see Note 10). The sale was as a result of a material change in the nature and focus of the group's operations.

On 19 December 2007 the group sold Kingsbridge Capital Advisors Limited, a wholly owned subsidiary, for £100,000. The consideration was fully paid in cash on 15 February 2008. The sale was as a result of a material change in the nature and focus of the group's operations.

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

Loss on sale of interest in associate - discontinued operations

	£
Loss on disposal of Kingsbridge Capital Participation Limited	<u>(12,928)</u>
Taxation	<u>144,186</u>

On 21 December 2007 the group sold its interest in Kingsbridge Capital Participation Limited of 626 ordinary shares, amounting to 25% ownership, to Kingsbridge Capital Holdings Limited for £326. The consideration of £326 was fully paid in cash on 15 February 2008. The sale was a result of a material change in the nature and focus of the group's operations.

7 Tax on (loss) / profit on ordinary activities

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Current tax:		
UK corporation tax on (losses) / profits for the year	<u>(238,268)</u>	<u>30,471</u>

The tax assessed is higher (2006 lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below.

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
(Loss) / profit on ordinary activities before tax	<u>(51,271)</u>	<u>169,514</u>
(Loss) / profit on ordinary activities multiplied by standard rate corporation tax in the UK of 30% (2006 19%)	<u>(15,381)</u>	<u>32,208</u>
Effects of		
Expenses not deductible for tax purposes	99,108	5,346
Non-taxable income	(22,797)	(6,967)
Capital gains	176,834	-
Capital allowances in excess of depreciation	504	(116)
Total current tax	<u>238,268</u>	<u>30,471</u>

The group has a gross deferred tax asset of £445,077 (2006 £448,437) which has not been recognised in the accounts. It relates primarily to unrelieved losses that are being carried forward to set off against future relevant trading profits.

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

8 Profits of holding company

Of the loss for the financial year, a profit of £465,901 (2006 loss of £80,821) is dealt with in the financial statements of the company. The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 and not presented a profit and loss account for the company alone.

9 Tangible fixed assets

Group	Computer Equipment £	Office equipment £	Total £
Cost			
1 January 2007	17,560	-	17,560
Additions	3,909	749	4,658
Disposals	(2,616)	-	(2,616)
At 31 December 2007	18,853	749	19,602
Depreciation			
1 January 2007	5,746	-	5,746
Charge for the year	3,851	546	4,397
Disposals	(59)	-	(59)
At 31 December 2007	9,538	546	10,084
Net book value			
At 31 December 2007	9,315	203	9,518
At 31 December 2006	11,814	-	11,814

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

9 Tangible fixed assets (continued)

Company	Computer Equipment £	Office equipment £	Total £
Cost			
1 January 2007	17,560	-	17,560
Additions	1,517	749	2,266
Disposals	(224)	-	(224)
At 31 December 2007	18,853	749	19,602
Depreciation			
1 January 2007	5,746	-	5,746
Charge for the year	3,792	546	4,338
At 31 December 2007	9,538	546	10,084
Net book value			
At 31 December 2007	9,315	203	9,518
At 31 December 2006	11,814	-	11,814

10 Fixed asset investments

Group	Associate undertakings £
Cost	
At 1 January 2007	4,450
Reclassification (Note 6)	6,612
Share of retained profit	6,642
Disposals	(17,704)
At 31 December 2007	-
Amounts written off	
At 1 January 2007	(326)
Disposals	326
At 31 December 2007	-
Net book value	
At 31 December 2007	-
At 31 December 2006	4,124

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

10 Fixed asset investments (continued)

Company	Subsidiary undertakings £	Associate undertakings £	Total £
Cost			
At 1 January 2007	50,002	326	50,328
Disposals	(50,001)	(326)	(50,327)
Reclassification	(1)	1	-
At 31 December 2007	-	1	1
Amounts written off			
At 1 January 2007	-	(326)	(326)
Disposals	-	326	326
At 31 December 2007	-	-	-
Net book value			
At 31 December 2007	-	1	1
At 31 December 2006	50,002	-	50,002

At 31 December 2007 the group and company held the allotted equity share capital of the following undertaking

Name of undertaking	Country of registration or incorporation	Class share of capital held	Proportion held by		Nature of business
			Parent company	Other group companies	
Kingsbridge Capital Management GP Limited	Jersey	Ordinary (1 of £1 each)	50%	-	Manager of private equity investments

11 Debtors

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Trade debtors	-	247,536	-	-
Other debtors	219,818	27,185	219,818	24,951
Accrued income	600	19,901	600	-
	220,418	294,622	220,418	24,951

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

12 Creditors : amounts falling due within one year

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Bank overdraft	-	248,280	-	-
Trade creditors	1,103,454	667,762	1,103,454	234,867
Amounts due to group company	-	-	-	504,189
Corporation tax	219,494	30,471	219,494	-
Other tax and social security	-	144,974	-	7,010
Other creditors	189,760	25,627	189,760	-
Accruals	70,600	44,102	70,600	33,602
	<u>1,583,308</u>	<u>1,161,216</u>	<u>1,583,308</u>	<u>779,668</u>

13 Provisions for liabilities

Group	2007 £	2006 £
Other provision		
At 1 January	6,052	-
Released during the year	(6,052)	-
Provided during the year	-	6,052
At 31 December	<u>-</u>	<u>6,052</u>

The other provision released of £6,052 during the year represents the group's share in net assets within the associated company Kingsbridge Capital Participation Limited

14 Called up share capital

Group and company	2007 £	2006 £
Authorised		
383,006 ordinary shares of £1 each	<u>383,006</u>	<u>383,006</u>
Allotted and called up		
344,706 ordinary shares of £1 each	<u>344,706</u>	<u>344,706</u>

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

15 Share premium account

Group and company	2007 £	2006 £
At 1 January and 31 December	<u>363,830</u>	<u>363,830</u>

16 Profit and loss reserve

	Group £	Company £
At 1 January 2007	(473,397)	(1,228,836)
(Loss) / profit for the year	(289,539)	465,901
At 31 December 2007	<u>(762,936)</u>	<u>(762,935)</u>

17 Reconciliation of movements in shareholders' funds

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Opening shareholders' funds	235,139	96,096	(520,300)	(439,479)
(Loss) / profit for the financial year	(289,539)	139,043	465,901	(80,821)
Closing shareholders' funds	<u>(54,400)</u>	<u>235,139</u>	<u>(54,399)</u>	<u>(520,300)</u>

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

18 Cash flow from operating activities

Reconciliation of operating loss to net cash inflow from operating activities

	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Continuing operations		
Operating loss	(1,707,560)	(192,306)
Depreciation	4,338	2,209
Write down of fixed asset investment	-	326
Loss on disposal of fixed assets	224	-
(Increase) / decrease in debtors	(1,229)	77,413
Increase / (decrease) in creditors	890,549	(44,717)
Net cash outflow from operating activities	<u>(813,678)</u>	<u>(157,075)</u>
Discontinued operations		
Operating profit	102,321	348,267
Depreciation	59	-
(Increase) in debtors	(453,195)	(349,913)
Increase in creditors	103,851	467,250
Net cash (outflow) / inflow from discontinued operations	<u>(246,964)</u>	<u>465,604</u>
Total net cash (outflow) / inflow from operating activities	<u>(1,060,642)</u>	<u>308,529</u>

19 Reconciliation in net funds

	As at 1 January 2007 £	Cash flow £	As at 31 December 2007 £
Cash at bank and in hand	1,091,847	207,125	1,298,972
Bank overdraft	(248,280)	248,280	-
	<u>843,567</u>	<u>455,405</u>	<u>1,298,972</u>

Hardt Group Capital Partners Limited

Notes to the accounts for the year ended 31 December 2007 (continued)

20 Disposals

	Year ended 31 December 2007 £
Disposal of Kingsbridge Capital Management GP Limited	
Debtors	3,671
Cash	24,923
Creditors	<u>(25,294)</u>
	3,300
Loss on disposal (Note 6)	<u>(3,299)</u>
Cash consideration	<u>1</u>

Kingsbridge Capital Management GP Limited contributed £162,534 cash outflow to the net operating cash flows, received £12,370 in respect of net returns on investments and servicing of finance

Disposal of Kingsbridge Capital Advisors Limited

Tangible fixed assets	2,333
Debtors	625,736
Cash	38,108
Creditors	<u>(481,661)</u>
	184,516
Loss on disposal (Note 6)	<u>(84,516)</u>
Cash consideration	<u>100,000</u>

Kingsbridge Capital Advisors Limited contributed £312,453 cash outflow to the net operating cash flows, received £10,766 in respect of net returns on investments and servicing of finance and paid £33,358 in respect of taxation

21 Post balance sheet events

On 1 January 2008, Kingsbridge Capital Advisors Limited completed the purchase of part of the business of the company for a total consideration of the book value as at 31 December 2007 amounting to £8,368 in cash. The consideration was received on 31 March 2008.