

LLP REGISTRATION NUMBER: OC303451



BEEHIVE CAPITAL LLP

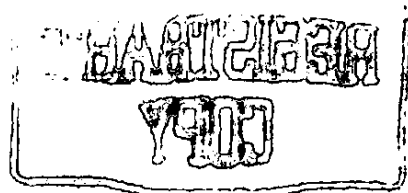
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008



GSM&Co

Griffin Stone Moscrop & Co
CHARTERED ACCOUNTANTS & REGISTERED AUDITORS



BEEHIVE CAPITAL LLP

Registered office: 41 Welbeck Street, London W1G 8EA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

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The following page does not form part of the
statutory financial statements:

Detailed profit and loss account

BEEHIVE CAPITAL LLP

MEMBERS' REPORT

The members' present their report with the financial statements of the limited liability partnership for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The partnership is authorised by the Financial Services Authority. On 11th May 2007 the partnership received permission from the Financial Services Authority to conduct venture capital business in addition to providing corporate finance and management advice, however no venture capital business has been conducted during the year and the principal activity of the limited liability partnership has been that of the provision of corporate finance and strategic management advice.

FUTURE DEVELOPMENTS

Since the variation in its permission from the Financial Services Authority the partnership has been developing a new organisational framework through which it expects to manage its venture capital activities. It is anticipated that the venture capital business will commence operations in the year ended 31 March 2009.

DESIGNATED MEMBERS

The designated members in the year were as follows:

J. C. Mayo
E. H. Mayo

MEMBERS' RESPONSIBILITIES

We are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001) requires us as members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing those financial statements we 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 a going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable us to ensure that the financial statements comply with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnership Regulations 2001). We are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Continued....

BEEHIVE CAPITAL LLP

MEMBERS' REPORT (Continued)

MEMBERS' DRAWINGS AND CAPITAL

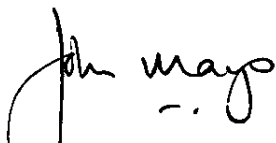
The initial capital of the LLP of £70,000 was subscribed on 9 April 2003. Since that date a further £45,000 was injected into the LLP as follows; £30,000 on 31 December 2006 and £15,000 on 7 March 2007. In accordance with Financial Reporting Standard No. 25 the members' capital has been reclassified as a liability rather than as equity.

The managing member may resolve from time to time to distribute a portion or the entire profits subject to the regulatory, working capital and other business requirements of the LLP. Payments of capital to members shall be at the discretion of the managing member.

AUDITORS

Griffin Stone Moscrop & Co., Chartered Accountants and Registered Auditors, will be proposed for re-election at the Annual General Meeting.

On behalf of the members:



J. C. Mayo

Designated Member

Date 16/12/2008

BEEHIVE CAPITAL LLP**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
TURNOVER	2	421,277	375,296
ADMINISTRATIVE EXPENSES		419,116	218,113
EXCEPTIONAL LOSS ON CURRENT ASSET INVESTMENTS	3	577,886	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST	3	(575,725)	157,183
INVESTMENT INCOME		9,576	-
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		2,306	3,329
NON-BANK INTEREST PAYABLE		(1,569)	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	9	(565,412)	160,512

The limited liability partnership has no recognised gains and losses other than those passing through the profit and loss account, therefore no statement of total recognised gains and losses has been prepared.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

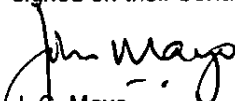
The attached notes form part of these financial statements.

BEEHIVE CAPITAL LLP

BALANCE SHEET
AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
FIXED ASSETS					
Computer equipment	6		60,679		99,528
Fixtures & Fittings			19,830		25,652
			<u>80,509</u>		<u>125,180</u>
CURRENT ASSETS					
Debtors	7	394,784		103,861	
Cash at bank and in hand		170,140		243,455	
			<u>564,924</u>		<u>347,316</u>
CREDITORS:					
Amounts falling due within one year	8	97,318		132,670	
			<u>467,606</u>		<u>214,646</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>548,115</u>		<u>339,826</u>
REPRESENTED BY:					
Loans and other debts due to members within one year					
Members' capital classified as a liability under FRS 25	9		363,701		115,000
Equity					
Members' other interests - Other reserves classified as equity under FRS 25	9		184,414		224,826
			<u>548,115</u>		<u>339,826</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	9		363,701		115,000
Members' other interests			184,414		224,826
			<u>548,115</u>		<u>339,826</u>

These financial statements were approved and authorised for issue by the members on 16/12/08 and signed on their behalf by :-


J. G. Mayo
Designated Member

The attached notes form part of these financial statements.

BEEHIVE CAPITAL LLP

CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Net cash inflow from operations		(560,167)	268,751
Returns on investments and servicing of finance			
Dividends received		9,576	
Interest received		2,306	3,329
Interest paid		(1,569)	-
Net cash inflow from return on investments and servicing of finance		10,313	3,329
Capital expenditure and financial investment			
Payments to acquire fixed assets		(4,353)	(141,453)
Expenses paid and subsequently recharged		(292,809)	-
Net cash outflow from capital expenditure and financial investment		(297,162)	(141,453)
Transactions with members			
Drawings	9	(41,299)	(103,002)
Financing			
Increase in members' capital		-	45,000
Equity introduced by members		575,000	-
Loans introduced by members	9	240,000	-
Net cash inflow from financing		815,000	45,000
Increase in cash		(73,315)	72,625

Notes to the cashflow statement

a) Reconciliation of net cash flow to movement in cash:

(Loss)/profit on ordinary activities before interest	(575,725)	157,183
Depreciation	49,024	30,184
Decrease/(increase) in debtors	1,887	(19,974)
(Decrease)/increase in creditors	(35,354)	101,358
Net cash inflow from operations	(560,167)	268,751

b) Analysis of changes in cash:

	At 1 April 2007 £	Cash flows £	At 31 March 2008 £
Cash at bank and in hand	243,455	(73,315)	170,140
	<u>243,455</u>	<u>(73,315)</u>	<u>170,140</u>

BEEHIVE CAPITAL LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008****1. STATEMENT OF ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have remained unchanged from the previous year, and have also been consistently applied within the accounts.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice; Accounting by Limited Liability Partnerships published in 2006 and applicable accounting standards.

Revenue recognition

In accordance with the principles of revenue recognition as stated in UITF 40 and application note G of FRS 5, Reporting the Substance of Transactions income is recognised as the right to consideration obtained through performance of contractual obligations.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

Deferred income

When clients are invoiced for services which are to be rendered in subsequent accounting periods, the invoices are treated as deferred income and included in creditors in the balance sheet.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Fixtures and fittings are depreciated over 5 years on a straight line basis. Computer equipment is depreciated over 3 years on a straight line basis.

2. TURNOVER

2008	2007
£	£

The turnover earned is in respect of providing corporate finance and strategic management advice. The geographical analysis is as follows:

United Kingdom	49,565	-
Overseas	371,712	375,296
	<u>421,277</u>	<u>375,296</u>

3. LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST

2008	2007
£	£

(Loss)/profit on ordinary activities before interest is stated after charging:

Depreciation	49,024	30,184
Foreign exchange loss	5,409	13,170
Exceptional loss on current asset investments	<u>577,886</u>	<u>-</u>

During the year under review the partnership incurred costs associated with the formation and administration of two subsidiary undertakings incorporated in Guernsey. These subsidiaries were entirely funded by the partnership and incurred losses in the period under review. The subsidiaries have negligible value at the balance sheet date and the members consider that they will not be of long-term use to the future of the partnership. Accordingly the losses of the subsidiaries which amount to £523,346, along with the costs associated with the establishment of the undertakings of £54,540 have been written off to the profit and loss account and disclosed as an exceptional loss arising on current asset investments.

Auditors' remuneration

Fees payable to the company's auditor for the preparation and audit of the LLP's accounts	5,050	5,000
Providing assistance and training in connection with regulatory reporting requirements	5,840	2,000
General professional advice and taxation services	<u>1,729</u>	<u>1,260</u>

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

4. MEMBERS' REMUNERATION AND PARTICULARS

No remuneration was paid to members during the year.

The average number of members during the year was two (2007 - two).

5. STAFF COSTS

	2008 £	2007 £
Wages and salaries	26,738	40,044
Social security costs	2,753	5,018
	<u>29,491</u>	<u>45,062</u>

The average monthly number of employees (excluding members) was one (2007 - one).

6. FIXED ASSETS

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost			
At 1 April 2007	29,109	126,255	155,364
Additions in the year	-	4,353	4,353
	<u>29,109</u>	<u>130,608</u>	<u>159,717</u>
At 31 March 2008			
Depreciation			
At 1 April 2007	3,457	26,727	30,184
Charge for the year	5,822	43,202	49,024
	<u>9,279</u>	<u>69,929</u>	<u>79,208</u>
At 31 March 2008			
Net book value			
At 31 March 2008	<u>19,830</u>	<u>60,679</u>	<u>80,509</u>
At 31 March 2007	<u>25,652</u>	<u>99,528</u>	<u>125,180</u>

7. DEBTORS

	2008 £	2007 £
Trade debtors	58,629	86,611
Other debtors	336,155	8,917
Prepayments and accrued income	-	8,333
	<u>394,784</u>	<u>103,861</u>

Other debtors includes £292,809 (2007 - nil) of set-up costs which have been paid on behalf of two fund managers that at 31 March 2008 were in the process of being established and which Beehive Capital will have a controlling interest in. Beehive will be reimbursed for these costs under the terms of the agreements in place with the fund managers.

BEEHIVE CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2008 £	2007 £
Trade creditors	70,039	4,921
Taxation and social security	8,292	2,450
Other creditors	12,247	43,122
Accruals and deferred income	6,740	82,177
	<u>97,318</u>	<u>132,670</u>

9. MOVEMENT ON OTHER MEMBERS' INTERESTS

	<u>Members other interests</u>			<u>Loans and other debts due to/(from) members</u>	<u>Total</u>
	<u>Members capital</u>	<u>Other reserves</u>	<u>Total</u>		
	£	£	£	£	£
Amounts due to members at 31 March 2007	-	224,826	224,826	115,000	339,826
Loss for the financial year available for discretionary division among members	-	(565,412)	(565,412)	-	(565,412)
	-	(340,586)	(340,586)	115,000	(225,586)
Allocated profits	-	(50,000)	(50,000)	50,000	-
Members' Capital injection to fund the loss for the financial year	-	575,000	575,000	-	575,000
Loans introduced by members	-	-	-	240,000	240,000
Drawings	-	-	-	(41,299)	(41,299)
Amounts due to members at 31 March 2008	<u>£ -</u>	<u>184,414</u>	<u>184,414</u>	<u>363,701</u>	<u>548,115</u>

Analysis of loans and other debts due to members:

	2008 £	2007 £
Members capital classified as a liability	115,000	115,000
Loans	240,000	-
Undrawn allocated profits	8,701	-
	<u>363,701</u>	<u>115,000</u>

Upon the winding up of the limited liability partnership all remaining assets after the satisfaction of all creditors of the limited liability partnership shall be distributed to the members.

BEEHIVE CAPITAL LLP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008 (CONTINUED)****10. CONTROL**

The limited liability partnership is under the control of its two members, Mr. J. C. Mayo and Mrs. E. H. Mayo.

11. RELATED PARTY TRANSACTIONS

The partnership had transactions with the following organisations. Unless otherwise stated these organisations are registered businesses in England and Wales.

	<u>Expenses charged to Beehive</u>	<u>Expenses recharged by Beehive at cost</u> £	<u>Services provided by Beehive</u> £	<u>Debtor/ (creditor) balance at y/e</u> £
2008				
Celtic Pharma Management LP (Bermuda)	-	5,549	358,099	1,545
Celtic Pharma Management Services (Europe) Limited	-	2,111	-	621
Celtic Pharma Development Services (Europe) Limited	-	127,874	-	56,463
S. A. Investors Limited	20,435	-	-	3,715
2007				
Celtic Pharmaceutical Holdings LP (Bermuda)	-	41,697	-	-
Celtic Pharma Management LP (Bermuda)	-	24,871	289,855	(10,512)
Celtic Pharma Management Services (Europe) Limited	-	67,607	-	223
Celtic Pharma Development Services (Europe) Limited	-	120,433	-	890
S. A. Investors Limited	-	-	-	(32,610)

Mr. J. C. Mayo, is a director and shareholder in S. A. Investors Limited, a partner of Celtic Pharmaceutical Holdings LP, and a director of Celtic Pharma Management Services (Europe) Limited and Celtic Pharma Development Services (Europe) Limited.

Beehive Capital LLP is a limited partner in Celtic Pharma Management LP, with its liability to this partnership being limited to its capital contribution of US \$6,000.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEEHIVE CAPITAL LLP

We have audited the financial statements of Beehive Capital LLP for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Section 235 of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The members' responsibilities for preparing 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 Members' 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).

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 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001). We also report to you if, in our opinion, the limited liability partnership has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership'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 United Kingdom Generally Accepted Accounting Practice, of the state of the limited liability partnership's affairs as at 31 March 2008 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

Griffin Stone Moscrop & Co

GRIFFIN STONE MOSCROP & CO
Chartered Accountants & Registered Auditors

9 January 2009

41 Welbeck Street
London W1G 8EA