

# **Advent Management Limited**

Annual Report and Accounts  
for the year ended 31 March 2008

Registered in Scotland  
Number: 82734

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## Directors' Report

The directors have pleasure in submitting their annual report and accounts for the year ended 31 March 2008

### Activities

The principal activity of the company is that of acting as general partner of partnerships which carry on business as venture capital funds. The company is currently the general partner of Advent Management Limited Partnership ("AMLPL") which is the general partner of a series of partnerships, namely Advent First Limited Partnership and three sister partnerships, which carry on business as venture capital funds. The partnerships were put in liquidation on 31 March 2000 and no further business is to be conducted except for such actions as necessary for the winding up of the affairs of the partnerships.

### Financial results and dividends

The profit for the financial year before tax was £3,208 (2007 loss £1,814) and profit after tax of £3,208 (2007 loss £1,682). The directors do not recommend the payment of a dividend (2007 £nil).

### Directors

The directors who held office throughout the year, except where otherwise stated, were as follows:

J C Benjamin  
D Cheesman (resigned 31 December 2007)  
N J Teasdale

### 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

A resolution has been passed to re-appoint KPMG Audit Plc as auditor of the company.

By order of the Board



L I Gabb  
7 July 2008

## **Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements**

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

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

## **Independent Auditors' Report to the Members of Advent Management Limited**

We have audited the financial statements of Advent Management Limited ("the financial statements") for the year ended 31 March 2008 which comprise Profit and Loss Account and the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

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

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

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. We also 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 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.

## Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit 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



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

8 Salisbury Square  
London EC4Y 8BB

7 July 2008

## Profit and Loss Account

For the year ended 31 March 2008

	<i>Notes</i>	2008 £	2007 £
Other operating credits/(charges)		3,131	(1,892)
Operating profit/(loss)		<u>3,131</u>	<u>(1,892)</u>
Other interest receivable and similar income		<u>77</u>	<u>78</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>2</b>	<b>3,208</b>	<b>(1,814)</b>
Tax credit on loss on ordinary activities	<b>4</b>	<u>132</u>	<u>132</u>
<b>Profit/(loss) for the year</b>		<u><b>3,208</b></u>	<u><b>(1,682)</b></u>

There were no recognised gains or losses other than the loss attributable to the shareholders of the company of £3,208 for the year ended 31 March 2008 (2007 £1,682)

In respect of the profit for the year, there is no difference between the figures stated above and their historical cost equivalents

The notes on pages 9 to 12 form part of these accounts


## Balance Sheet

As at 31 March 2008

	Notes	2008 £	2007 £
<b>Current assets</b>			
Cash at bank		<u>1,719</u>	<u>1,644</u>
		1,719	1,644
<b>Creditors:</b>			
Amounts falling due within one year	5	<u>(2)</u>	<u>(3,135)</u>
Net current assets/(liabilities)		<u>1,717</u>	<u>(1,491)</u>
Total assets less current liabilities		<u>1,717</u>	<u>(1,491)</u>
<b>Capital and reserves</b>			
Called up share capital	6	2	2
Profit and loss account		<u>1,715</u>	<u>(1,493)</u>
Equity shareholders' funds/(deficit)	7	<u>1,717</u>	<u>(1,491)</u>

These accounts were approved by the Board on 7 July 2008 and signed on their behalf by

  
JERRY C BENJAMIN  
Director

  
LESLIE I GABB  
Secretary

The notes on pages 9 to 12 form part of these accounts



## Notes to the Financial Statements

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### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are material in relation to the financial statements

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Section 228 of, and Schedule 4 to, the Companies Act 1985 and in accordance with applicable accounting standards in the UK

#### b) Exemption from requirement to prepare group accounts and cash flow statement

The company is the general partner of Advent Management Limited Partnership ("AMLP") and hence it is legally the parent undertaking of AMLP and of the four venture capital limited partnerships, namely Advent First Limited Partnership and the three sister partnerships (the "venture capital partnerships"), of which AMLP is the general partner

However, the directors consider that the accounts would not give a true and fair view if all the assets and income of AMLP and the venture capital partnerships were consolidated since the company has no equity interest in those assets or income. Accordingly, the group consolidates on a proportional basis its nil share of the assets and income of AMLP and the venture capital partnerships. The departure from the requirements of the Companies Act 1985 has no effect on the results for the year or on the net assets at 31 March 2008.

In the group accounts of the ultimate parent undertaking, the group consolidates on a proportional basis its nil share of the assets and income of AMLP and the venture capital partnerships. As a result, the company and AMLP have taken advantage of the exemption conferred by regulation 7 of the Partnerships and Unlimited Companies (Accounts) Regulations 1993.

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.

#### c) 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.

#### d) Going concern

The financial statements have been prepared on the going concern basis.

**2 Loss on ordinary activities before taxation**

	2008 £	2007 £
Profit on ordinary activities before taxation is stated after charging		
Auditor's remuneration		
Audit of financial statements pursuant to legislation		1,588
Audit fees for the year ended 31 March 2008 have been borne by Advent Limited		

**3 Directors' emoluments**

No emoluments were paid to directors in the year (2007 £nil)

**4 Tax on loss on ordinary activities**

	2008 £	2007 £
Corporation tax		132
Factors affecting current tax charge for the year		
Profit/(loss) on ordinary activities before taxation	3,208	(1,682)
Corporation tax at 30% (2007 30%)	962	(504)
Effects of		
Over provision from previous years		132
Utilisation of brought forward losses	(962)	
Group relief surrendered not for payment		504
		132

There is an unrecognised deferred tax asset of £26,269 (2007 £27,771) The deferred tax asset relates to the prior year unutilised expenses It is considered too uncertain that there will be taxable profits in the future against which the deferred tax assets can be offset and, therefore, in accordance with FRS 19, the asset has not been recognised

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

	2008 £	2007 £
Other creditors	2	
Accruals		1,513
Amounts owed to parent undertaking		1,622
Corporation tax		
	2	3,135

**6 Called up share capital**

	Authorised		Allotted, called up and fully paid	
	2008	2007	2008	2007
	£	£	£	£
Ordinary shares of £1 each	100	100	2	2

**7 Reconciliation of movements in equity shareholders' (deficit)/funds**

	2008	2007
	£	£
Shareholders' funds at beginning of year	(1,491)	191
Profit/(loss) for the year	3,208	(1,682)
Shareholders' funds/(deficit) at end of year	1,717	(1,491)

**8. Particulars of subsidiary undertakings**

The following were subsidiary undertakings during the year

**Advent Management Limited Partnership ("AMLP")**

A Scottish limited partnership whose principal place of business was at 50 Lothian Road, Festival Square, Edinburgh EH3 9BY and of which the company was the general partner. A subsidiary undertaking of the company by virtue of Section 258(2)(c)(i) of the Companies Act 1985 as amended

Advent First Limited Partnership )  
Advent First Limited Partnership 'A' ) (the "venture capital  
Advent First Limited Partnership 'B' ) partnerships")  
Advent First Technology Limited Partnership )

English limited partnerships whose principal place of business was at 25 Buckingham Gate, London SW1E 6LD and of which AMLP is in each case the general partner. Subsidiary undertakings of AMLP by virtue of Section 258(2)(c)(i) of the Companies Act 1985 as amended

These subsidiary undertakings were fully liquidated during the year

**9 Contingent liabilities and commitments**

There were no contingent liabilities or commitments at the balance sheet date

**10 Related party transactions**

The Company has claimed the exemption from disclosure of transactions with group companies in accordance with Financial Reporting Standard No 8 'Related Party Transactions' on the grounds that over 90% of voting rights are controlled within the group and that the parent company accounts are publicly available (please refer to Note 11 'Ultimate Parent Undertaking')

**11 Ultimate parent undertaking**

The company's ultimate parent undertaking is Advent Venture Partners LLP, a limited liability partnership registered in England and Wales. The consolidated financial statements for that entity are available for inspection at Companies House.