

Company Registration No. SC217616

ALBANY VENTURES GP 1 LIMITED

Report and Financial Statements 16 months to

31 January 2008

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ALBANY VENTURES GP 1 LIMITED

Report and financial statements 16 months to 31 January 2008

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ALBANY VENTURES GP 1 LIMITED

Report and financial statements 16 month to 31 January 2008

Officers and professional advisers

Directors

Mr R J Abbott
Mr D Deards (appointed 17 April 2007)
Mr A Harden (appointed 17 April 2007)
Mrs K Garrett Cox (appointed 1 May 2007)
Mr J G Morrison

Secretary

Mr D J McPherson

Registered Office

64 Reform Street
Dundee
DD1 1TJ

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh
EH2 4DF

Independent Auditors

KPMG Audit Plc
Chartered Accountants and Registered Auditors
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

ALBANY VENTURES GP 1 LIMITED

Directors' report

The directors present their report and the audited financial statements for the 16 month period to 31 January 2008. On 27 September 2007 the Company changed its accounting reference date from 30 September to 31 January to be the same as its ultimate holding company, Alliance Trust PLC.

Activities

The company is the General Partner to the following limited partnerships

- BLS Holdings Limited Partnership ('BLSH') – a venture capital investment fund registered as a Limited Partnership in Scotland subject to a Partnership Agreement dated 28 July 2000 and 7 and 8 June 2001 and as amended on 4 March 2004,
- BLS Holdings Special LP ('BLSHSP') – a venture capital investment vehicle registered as a Limited Partnership in Scotland subject to a Partnership Agreement dated 3 and 30 May 2001 and as amended on 17 and 23 February 2004. BLSHSP is a partner in BLSH
- The Albany 2001 Pledge Fund ('A2001PF') – a venture capital investment fund registered as a Limited Partnership in Scotland subject to a Partnership Agreement dated 5 and 6 June 2001 and as amended on 17 and 23 February 2004 and
- The Albany 2001 Pledge Fund Special LP ('A2001PFSLP') – a venture capital investment vehicle registered as a Limited Partnership in Scotland subject to a Partnership Agreement dated 5 and 6 June 2001 and as amended on 17 and 23 February 2004. A2001PFSLP is a partner in A2001PF

Under the terms of the Partnership Agreements the company, as General Partner, is responsible for carrying on the day to day management of the business activities of the respective partnerships referred to above unless it appoints a separate manager to manage the Partnerships to its exclusion. The company in its capacity as General Partner receives from each partnership referred to above a priority profit share that is referenced to the total fund commitment of each partnership or an amount per day as stated in the Limited Partnership agreements.

The company entered into an Investment Management Agreement with each of the above partnerships and Alliance Trust Equity Partners Limited (formerly Albany Venture Managers Limited) a fellow subsidiary undertaking. Under the terms of the Investment Management Agreement, Alliance Trust Equity Partners Limited has agreed to act as manager for each partnership to the exclusion of the company in its role as General Partner to each partnership in consideration of the payment by the company of an investment management fee.

Results and dividends

The results for the period are shown in the income statement on page 6. The directors are satisfied with the result for the period. The directors have not recommended a dividend.

Directors

The directors who served the company during the period are listed on page 1. In addition, Mr A D Steel was a director until his resignation on 20 November 2006.

ALBANY VENTURES GP 1 LIMITED

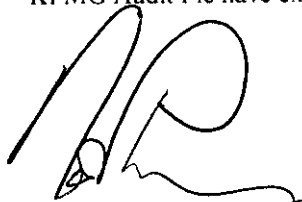
Directors' report

Elective resolutions

On 4 June 2001 the Company elected to dispense with the laying of accounts and reports before the Company in general meetings, to dispense with holding annual general meetings and to dispense with the obligation to appoint an auditor annually. While the last election remains in force, directors are authorised to fix the remuneration of the auditor.

Auditors

Deloitte & Touche LLP resigned as auditors and KPMG Audit Plc were appointed auditors during the period. KPMG Audit Plc have expressed their willingness to continue in office as auditors.



By order of the Board
Donald J McPherson
Company Secretary
Dundee
15 May 2008

ALBANY VENTURES GP 1 LIMITED

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)

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

ALBANY VENTURES GP 1 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALBANY VENTURES GP 1 LIMITED

We have audited the financial statements of Albany Ventures GP 1 Limited for the period to 31 January 2008 which comprises the Income Statement, 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 our audit work for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Report and 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 judgements 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 January 2008 and of its loss for the period 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
Saltire Court
Edinburgh
EH1 2EG
15 May 2008

KPMG Audit Plc

ALBANY VENTURES GP 1 LIMITED

Income Statement

Period ended 31 January 2008

	Note	16 months to 31 January 2008 £	Year to 30 September 2006 £
Turnover	2	30 988	84 039
Cost of sales		<u>(30,988)</u>	<u>(84,039)</u>
Gross profit			
Other operating expenses	3	<u>(30)</u>	<u></u>
Operating loss		(30)	
Interest receivable		<u>8</u>	<u>7</u>
(Loss)/Profit on ordinary activities before taxation		(22)	7
Tax on profit on ordinary activities	5	<u></u>	<u>(25)</u>
Retained loss for the financial period	10	<u>(22)</u>	<u>(18)</u>

All of the activities of the company are classified as continuing

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

The notes on pages 8 to 11 form part of these accounts

ALBANY VENTURES GP 1 LIMITED

Balance sheet As at 31 January 2008

	Note	31 January 2008 £	30 September 2006 £
Fixed assets			
Investments	6	103	103
Current assets			
Debtors	7	73	50
Cash at bank		43	67
		116	117
Creditors' amounts falling due within one year	8	(23)	(2)
Net current assets		93	115
Net Assets		196	218
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	195	217
Equity shareholders' funds	11	196	218

The notes on pages 8 to 11 form part of these accounts

These financial statements on pages 6 to 11 were approved by the Board of Directors on 15 May 2008 and were signed on its behalf by



Alan Harden, Director



David Deards Director

ALBANY VENTURES GP 1 LIMITED

Notes to the financial statements

Period ended 31 January 2008

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the period and the preceding year.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is a 100% owned subsidiary and is included within the consolidated financial statements of its ultimate parent undertaking.

Turnover

Turnover comprises the company's share of profits from the underlying fund. As Albany Ventures GP1 Limited is the General Partner of BLS Holdings Partnership, under the Limited Partnership Agreement it receives a first charge on net income and capital gains of the fund. This annual profit share is equivalent to 1/25% of the aggregate commitments of the partnership ('the General Partner's Share'). If net income and capital gains less capital losses in any accounting period are less than the General Partner's Share, the deficiency is paid as an interest free loan, which is recoverable only against future allocations of net income and capital gains. The company is entitled to this share quarterly in advance. As these advances are not repayable under the terms of the Limited Partnership Agreement, the advances are recognised when they are earned. Albany Ventures GP1 Limited is also the General Partner of BLS Holdings Special LP and The Albany 2001 Pledge Fund Special LP. In the agreements with each of these limited partnerships the General Partner is also entitled to an annual profit share equivalent to £1 per day. However, these partnerships have no net income from which to pay this amount to the General Partner and are unlikely to be able to do so before they wind up. As a result the turnover which has been accruing in relation to these partnerships has been fully provided for and as such has no impact on the Company's turnover.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Investments

Investments representing capital contributions in Limited Partnerships, are included at cost.

2 TURNOVER

The turnover and profit before tax are attributable to the principal activity of the company in its role as General Partner of the BLS Holdings Limited Partnership, exclusive of VAT, all of which arises in the United Kingdom.

3. OTHER OPERATING EXPENSES

	16 months to 31 January 2008 £	Year to 30 September 2006 £
Administrative expenses	30	

Audit fees are borne by the parent company Alliance Trust Equity Partners (Holdings) Limited.

ALBANY VENTURES GP 1 LIMITED

Notes to the financial statements

Period ended 31 January 2008

4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors are all remunerated by Alliance Trust Services Limited, a member of the Alliance Trust PLC group. Mr Deards, Mr Harden and Mrs Garrett Cox received no remuneration or fees as directors of the Company and their remuneration from the group is disclosed in the report and accounts of the Alliance Trust PLC. The Company had no employees during the current and previous financial period.

5 TAX ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	16 months to 31 January 2008 £	Year to 30 September 2006 £
Current tax		
In respect of the period		
UK Corporation tax based on the results for the period	(7)	2
Group relief received	7	
Prior year adjustment		23
Total current tax charge		25

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities is lower than the standard rate of corporation tax in the UK of 30% (2007: 30%).

	16 months to 31 January 2008 £	Year to 30 September 2006 £
(Loss)/Profit on ordinary activities before taxation	(22)	7
(Loss)/Profit on ordinary activities by rate of tax	(7)	2
Current period group relief at nil cost	7	
Prior year adjustment		23
Total current tax charge (note 6(a))		25

ALBANY VENTURES GP 1 LIMITED

Notes to the financial statements Period ended 31 January 2008

6 INVESTMENTS

Investment in Limited Partnerships	£
At Cost	
At 1 October 2006 and 31 January 2008	103

Investments represent capital contributions by the company in the following limited partnerships

• BLS Holdings Limited Partnership	£100
• BLS Holdings Special LP	£1
• The Albany 2001 Pledge Fund	£1
• The Albany 2001 Pledge Fund Special LP	£1

7. DEBTORS

	31 January 2008 £	30 September 2006 £
Other debtors	73	50

8. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 January 2008 £	30 September 2006 £
Corporation tax	23	2

9 SHARE CAPITAL

	31 January 2008 £	30 September 2006 £
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted, called up & fully paid		
1 ordinary share of £1 each	1	1

ALBANY VENTURES GP 1 LIMITED

Notes to the financial statements Period ended 31 January 2008

10. RESERVES

	Profit and loss account
At 1 October 2006	217
Loss for the period	(22)
	<hr/>
At 31 January 2008	195
	<hr/>

11 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	16 months to 31 January 2008 £	Year to 30 September 2006 £
Loss for the financial period	(22)	(18)
Opening shareholders' equity funds	218	236
	<hr/>	<hr/>
Closing shareholders' equity funds	196	218
	<hr/>	<hr/>

12. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Alliance Trust PLC the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group

Mr R J Abbott and Mr J G Morrison, directors of the company are limited partners in The Albany 2001 Pledge Fund Special LP and BLS Holdings Special LP. The company acts as the general partner to both The Albany 2001 Pledge Fund Special LP and BLS Holdings Special LP

13 ULTIMATE PARENT UNDERTAKING

The ultimate parent company is Alliance Trust PLC. The consolidated accounts of Alliance Trust PLC which include the results of Albany Ventures GP 1 Limited are available from its Registered Office at Meadow House, 64 Reform Street, Dundee DD1 1TJ or online at www.alliancetrust.co.uk