


# Bamboo



INVESTMENTS (ISLE OF MAN) PLC

‘..... a look to the future’

Interim Report 2005

# BAMBOO INVESTMENTS (ISLE OF MAN) PLC

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## BAMBOO INVESTMENTS (ISLE OF MAN) PLC

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### DIRECTORY

Non-executive directors	M C Stoddart (Chairman) C D Pemberton D Robbie G Ross Russell P P Scales
Administrator	Barings (Isle of Man) Limited PO Box 174 St James's Chambers Athol Street Douglas Isle of Man IM1 1JE
Company Number	112765C
Registered Office	St James's Chambers Athol Street Douglas Isle of Man IM1 1JE
Investment Advisor	Close Venture Management 4 Crown Place London EC2A 4BT
Auditors	Deloitte & Touche LLP Douglas Isle of Man
Legal advisor	Cains Advocates Limited Old Bank Chambers 15-19 Athol Street Douglas Isle of Man IM1 1LB
Registrars	Computershare Investor Services (Channel Islands) Limited PO Box 83 Ordnance House 31 Pier Road St Helier Jersey JE4 8PW

## CHAIRMAN'S STATEMENT

### Introduction

I am pleased to present to you the consolidated accounts of Bamboo Investments (Isle of Man) PLC for the six months ended 30 June 2005.

As shareholders are aware, the Group was restructured in April of this year with the effect that the business was transferred to the Isle of Man. The results are accounted for as if the restructuring had been in place since the beginning of the period and the prior year figures have been restated to assist comparison.

I am pleased to report that the Bamboo Group has made excellent progress in the six month period. The shareholding in Cassium Technologies Limited has been realised via a trade sale for £1.4 million cash, compared to an initial investment of £625k and the investment in Automotive Technik has been sold, also via a trade sale, for £930k, compared to an initial investment of £337k. The realisations of both of these investments were achieved at a significant uplift from Directors' valuation at 31 December 2004. In addition, Bango.net listed on the AiM market in June raising £7 million new money. As part of the transaction Bamboo sold 44% of its holding for £336k, and the remaining stake is valued at £576k, which represents a return of three times cost in just over a 12 month period.

### Investment activity

In 2004 the Board resolved not to make any further new investments, other than follow-on investments in existing portfolio companies. Hence the emphasis over the period has been to carry out the strategy outlined in the 2004 Report & Accounts to realise portfolio investments.

In May, Bamboo invested a further £80,000 in Grosvenor Healthcare, a business providing outsourcing services to large corporates, as part of a £1 million financing round to fund an acquisition. In March, the Group also invested £62,500 into Sparesfinder Limited, which was the second tranche of a pre-arranged commitment made in 2004.

### Net Asset Value

In the six months to June 2005, the net asset value per share, calculated on the old number of shares, has risen from 104.5p to 125.4p, or from 5.23p to 6.27p per share after taking into account the group reconstruction in April. This represents a 20% increase over six months. This is due to a sustained improvement in trading in the second quarter of the year for Dr. Foster Limited, TM Property Service Limited and Casewise Systems Limited and also the realisations outlined above.

### Results

The Group made a profit after tax of £1.5 million for the six month period after taking into account investments gains of £1.9 million. The Group made an operating loss of £361,756 after making a further provision for the incentive fee of £367,500. At 30 June 2005, the Group had cash of £9.1 million. Subsequent to 30 June 2005, the cash has increased by £481,000 from the sale of Bango shares and £250,000 has been received from the exercise of warrants granted to Private Investors Capital Limited and Sussex Place Ventures at the time of the original placing in August 2000.

### Outlook

It remains the Board's intention to return cash to Shareholders upon realisation of investments. The Board proposes to return £8.55 million by way of a capital reduction later this year, which is equivalent to 86p per old share or 4.3p per new share on a fully diluted basis. This will leave sufficient cash in the business to meet current and future liabilities and pay the operating costs of running the business.

The Board believes that some of the remaining companies in the portfolio are showing considerable promise and the overall prospects for the business remain encouraging.

**Michael Stoddart**  
Chairman

**11 August 2005**

**BAMBOO INVESTMENTS (ISLE OF MAN) PLC**

**INVESTMENT PORTFOLIO**

<b>Ten largest venture capital investments by value</b>	<b>Historic Cost to Group</b>	<b>Directors' valuation</b>	<b>% of net assets</b>
	£	£	%
Grosvenor Healthcare Limited	558,855	853,989	7%
Dr Foster Limited	502,167	638,395	5%
Bango PLC	168,350	576,241	5%
Infrared Integrated Systems Limited	474,602	378,585	3%
TM Property Service Limited	399,082	306,292	3%
Jewson Associates Limited	270,096	270,096	2%
Casewise Systems Limited	267,862	161,100	1%
APR Smartlogik Limited	474,584	158,220	1%
ET&T Limited	107,758	107,758	1%
Careforce PLC	50,954	107,192	1%
	3,274,310	3,557,868	29%
12 other venture capital investments	3,278,473	83,864	1%
Redemption premium	–	28,103	–
<b>Total venture capital portfolio</b>	<b>6,552,783</b>	<b>3,669,835</b>	<b>30%</b>
Cash and other net assets		9,131,755	70%
Other net liabilities		(637,057)	
<b>Total net assets</b>		<b>12,164,533</b>	<b>100%</b>
<b>Net asset value per 5p share (pence)</b>		<b>6.27p</b>	
<b>Net asset value per 5p share (pence) fully diluted</b>		<b>6.24p</b>	
<b>Net asset value per old 5p share (pence)</b>		<b>125.4p</b>	
<b>Net asset value per old 5p share (pence) fully diluted</b>		<b>124.8p</b>	

**BAMBOO INVESTMENTS (ISLE OF MAN) PLC**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)**

Note	Six months ended 30 June 2005 (unaudited)	Six months ended 30 June 2004 restated (unaudited)	Year ended 31 December 2004 restated
	£	£	£
Investment income	279,913	104,959	331,746
Other income	-	-	-
<b>Total income</b>	<b>279,913</b>	<b>104,959</b>	<b>331,746</b>
Administrative expenses	(641,669)	(343,733)	(978,969)
<b>Operating loss</b>	<b>(361,756)</b>	<b>(238,774)</b>	<b>(647,233)</b>
Realised gains on investments	1,388,166	-	688,845
Movement in provisions for impairment of investments	489,708	(245,952)	(210,820)
Interest payable and similar charges	-	-	-
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>1,516,118</b>	<b>(484,726)</b>	<b>(169,198)</b>
Taxation on ordinary activities	(15,452)	-	-
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>1,500,666</b>	<b>(484,726)</b>	<b>(169,198)</b>
Dividends	-	-	-
<b>Retained profit/(loss)</b>	<b>1,500,666</b>	<b>(484,726)</b>	<b>(169,198)</b>
<b>Profit/(loss) per 5p share (pence)</b>	<b>0.77p</b>	<b>(0.25p)</b>	<b>(0.09p)</b>
<b>Profit/(loss) per 5p share (fully diluted)</b>	<b>0.75p</b>	<b>(0.24p)</b>	<b>(0.09p)</b>

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND  
LOSSES (UNAUDITED)**

	Six months ended 30 June 2005 (unaudited)	Six months ended 30 June 2004 (unaudited)	Year ended 31 December 2004
	£	£	£
<b>Profit/(loss) for the period</b>	<b>1,500,666</b>	<b>(484,726)</b>	<b>(169,198)</b>
Unrealised gains in the period	525,272	793,229	557,486
<b>Total recognised gains and losses</b>	<b>2,025,938</b>	<b>308,503</b>	<b>388,288</b>
<b>Total recognised gains and losses per share</b>	<b>1.04p</b>	<b>0.16p</b>	<b>0.20p</b>
<b>Total recognised gains and losses per share (fully diluted)</b>	<b>1.02p</b>	<b>0.16p</b>	<b>0.20p</b>

**BAMBOO INVESTMENTS (ISLE OF MAN) PLC**

**CONSOLIDATED BALANCE SHEET (UNAUDITED)**

Note	30 June 2005 (unaudited)	30 June 2004 restated (unaudited)	31 December 2004 restated
	£	£	£
<b>Fixed assets</b>			
Venture capital portfolio	4	3,669,835	8,238,668
		<b>3,669,835</b>	<b>8,238,668</b>
			3,900,432
			<b>3,900,432</b>
<b>Current assets</b>			
Debtors		223,370	46,532
Cash at bank		9,131,755	2,060,640
		9,355,125	2,107,172
<b>Creditors: amounts falling due within one year</b>		(143,427)	(287,030)
			(68,891)
Net current assets		9,211,698	1,820,142
Total assets less current liabilities		12,881,553	10,058,810
			10,488,095
<b>Creditors due in more than one year</b>		(717,000)	-
			(349,500)
<b>Net assets</b>		<b>12,164,533</b>	<b>10,058,810</b>
			<b>10,138,595</b>
<b>Shareholders' funds</b>			
Called up share capital		9,695,670	9,695,670
Share premium		910,610	910,610
Profit and loss account		662,762	(5,170,994)
Revaluation reserve		895,491	4,623,524
			(1,108,356)
			640,671
<b>Total equity shareholders' funds</b>	5	<b>12,164,533</b>	<b>10,058,810</b>
			<b>10,138,595</b>
Net asset value per share (pence)		6.27p	5.19p
Net asset value per share (fully diluted)		6.24p	5.18p
			5.23p
			5.22p

P P Scales

Director

11 August 2005

**BAMBOO INVESTMENTS (ISLE OF MAN) PLC**

**COMPANY BALANCE SHEET (UNAUDITED)**

	Note	30 June 2005 (unaudited)
		£
<b>Fixed assets</b>		
Investment in subsidiaries		5,000
Venture capital portfolio	4	3,669,835
		<b>3,674,835</b>
<b>Current assets</b>		
Debtors		223,370
Cash at bank		9,078,513
		9,301,883
<b>Creditors: amounts falling due within one year</b>		(110,955)
Net current assets		9,190,928
Total assets less current liabilities		12,865,763
<b>Creditors due in more than one year</b>		(717,000)
<b>Net assets</b>		<b>12,148,763</b>
<b>Shareholders' funds</b>		
Called up share capital		9,695,670
Share premium account		910,610
Profit and loss account		437,128
Revaluation reserve		1,105,355
<b>Total equity shareholders' funds</b>		<b>12,148,763</b>
Net asset value per share (pence)		6.26p
Net asset value per share (fully diluted)		6.23p

**P P Scales**

**Director**

**11 August 2005**

**BAMBOO INVESTMENTS (ISLE OF MAN) PLC**

**CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**

	Six months ended 30 June 2005 (unaudited)	Six months ended 30 June 2004 (unaudited)	Year ended 31 December 2004
	£	£	£
<b>Net cash outflow from operating activities</b>	(87,533)	(138,742)	(417,805)
<b>Returns on investments and servicing of finance</b>			
Interest paid	-	-	-
<b>Taxation</b>			
Corporation tax	-	-	-
<b>Capital expenditure and financial investment</b>			
Purchase of fixed asset investments	(158,785)	(808,003)	(1,147,842)
Realisation of fixed asset investments	2,757,309	-	5,179,026
<b>Net cash inflow from investing activities</b>	<b>2,598,524</b>	<b>(808,003)</b>	<b>4,031,184</b>
<b>Equity dividends paid</b>	-	-	-
<b>Net cash inflow before financing</b>	<b>2,510,991</b>	<b>(946,745)</b>	<b>3,613,379</b>
<b>Financing</b>			
Redemption of shares	-	-	-
Stamp duty	-	-	-
<b>Net cash outflow from financing</b>	-	-	-
<b>Increase/(decrease) in cash</b>	<b>2,510,991</b>	<b>(946,745)</b>	<b>3,613,379</b>

**NOTES TO THE INTERIM REPORT (UNAUDITED)**

**Note 1. Accounting policies**

The interim financial statements have been prepared in accordance UK GAAP. The accounting policies used for the statutory accounts of Bamboo Investments Limited (formerly Bamboo Investments PLC) to 31 December 2004 have been adopted. The interim results are prepared in accordance with applicable accounting standards, prepared under the historical cost convention with the exception of fixed asset investments which are held at Directors' valuation.

**Basis of consolidation**

Bamboo Investments (Isle of Man) PLC was incorporated on 8 February 2005. During the period under review, under a scheme of arrangement, Bamboo Investments Limited (formerly Bamboo Investments PLC) became a wholly owned subsidiary of Bamboo Investments (Isle of Man) PLC. This group reconstruction has been accounted for using the merger accounting principles set out in Financial Reporting Standard 6. Accordingly the financial information for the current period has been presented, and that for the prior periods restated, as if Bamboo Investments Limited (formerly Bamboo Investments PLC) had been owned by Bamboo Investments (Isle of Man) PLC throughout the current and prior accounting periods.

**Note 2. Investment income**

	Six months ended 30 June 2005 (unaudited)	Six months ended 30 June 2004 (unaudited)	Year ended 31 December 2004
	£	£	£
Income from Treasury Bills and loan stock	109,911	55,478	183,475
Income from cash deposits	170,002	49,481	148,271
	<b>279,913</b>	<b>104,959</b>	<b>331,746</b>

**Note 3. Earnings per share**

The calculation of earnings per share for the six months to 30 June 2005 is based upon the profit attributable to shareholders after taxation of £1,500,666 and the weighted average number of shares in issue being 193,913,400. The six months to 30 June 2004 was based upon a loss attributable to shareholders after taxation of £484,726 and 193,913,400 shares being the restated weighted average number of shares in issue throughout the period.

Assuming the warrants had been exercised at 30 June 2005, the earnings per share on a fully diluted basis for the six months to 30 June 2005 is based on profit after taxation of £1,500,666 (2004: £484,726) and 198,913,400 (2004: 198,913,400).

As stated above, the number of shares in issue for the current period has been presented and for the prior period have been restated as if Bamboo Investments Limited (formerly Bamboo Investments PLC) had been owned by Bamboo Investments (Isle of Man) PLC throughout the current and prior accounting periods.

**BAMBOO INVESTMENTS (ISLE OF MAN) PLC**

**NOTES TO THE INTERIM REPORT (UNAUDITED)**

**Note 4. Fixed asset investments**

	<b>Venture Capital investments</b>
<b>Group</b>	<b>£</b>
<b>Cost</b>	
At 1 January 2005	7,492,688
Additions	158,785
Realisations	(1,098,690)
<b>At 30 June 2005</b>	<b>6,552,783</b>
<b>Surplus/(deficit) on revaluation</b>	
At 1 January 2005	(3,655,578)
Revaluations in the period	1,014,980
Realisations	(270,453)
<b>At 30 June 2005</b>	<b>(2,911,051)</b>
<b>Accumulated loan stock premium</b>	
At 1 January 2005	63,322
Revaluations in the period	62,906
Realisations	(98,125)
<b>At 30 June 2005</b>	<b>28,103</b>
<b>Directors' valuation at 30 June 2005</b>	<b>3,669,835</b>
Directors' valuation at 1 January 2005	3,900,432

**Note 5. Reconciliation of movement in shareholders' funds**

	<b>Six months ended 30 June 2005</b>	<b>Six months ended 30 June 2005</b>	<b>Year ended 31 December 2004</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
Opening shareholders' funds	10,138,595	9,750,307	9,750,307
Profit/(loss) for the period	1,500,666	(484,726)	(169,198)
Revaluation of investments in the period	525,272	793,229	557,486
<b>Closing shareholders' funds</b>	<b>12,164,533</b>	<b>10,058,810</b>	<b>10,138,595</b>

**Note 6. Post balance sheet events**

Subsequent to the balance sheet date £250,000 has been received under the exercise of warrants granted over 5,000,000 shares in Bamboo Investments (Isle of Man) PLC, (equivalent to 250,000 shares in Bamboo Investments Limited).

**NOTES TO THE INTERIM REPORT (UNAUDITED)**

**Note 7. Other information on the interim report**

The financial information for the six months to 30 June 2005 and for the six months to 30 June 2004 does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The financial information for the year ended 31 December 2004, which does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985, is derived from the statutory accounts of Bamboo Investments PLC (now Bamboo Investments Limited) for that period which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

Copies of this report have been sent to shareholders and copies are available from the registered office.



