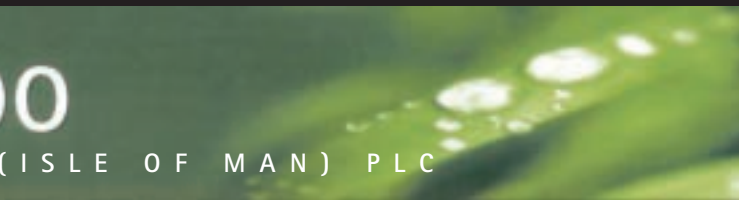


Bamboo



INVESTMENTS (ISLE OF MAN) PLC

‘..... a look to the future’

Interim Report 2006

BAMBOO INVESTMENTS (ISLE OF MAN) PLC

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BAMBOO INVESTMENTS (ISLE OF MAN) PLC

DIRECTORS and ADMINISTRATION

Non-executive directors	M C Stoddart (Chairman) C D Pemberton P P Scales
Secretary	P P Scales
Administrator	Northern Trust International Fund Administration (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 Ventures Limited 10 Crown Place London EC2A 4FT
Independent Auditors	Deloitte & Touche 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 2006.

As shareholders are aware, the Group was restructured in April 2005 with the effect that the business was transferred to the Isle of Man. In order to assist comparison the results are accounted for as if the restructuring had been in place since the beginning of 2005.

In May 2006 a further return of cash was made to shareholders by way of a capital reduction. The Company returned £1.75 million to shareholders cancelling 35 million ordinary 5p shares. As this is a cancellation of the Company's share capital, shareholders received only 5p for each of their shares, this means that the net asset value of the remaining shares has increased accordingly.

I am pleased to report that Bamboo has made good progress in terms of realising its portfolio over the six month period. In early 2006 partial realisations were negotiated for Grosvenor Healthcare and for our holding in Dr Foster.

Portfolio Activity

In the six month period, a total of £1,078,865 was received from the partial realisations of Grosvenor Health and Dr Foster. The Grosvenor sale involved a disposal of Bamboo's loan stock holding and early receipt of the accrued redemption premium of £42,473. Bamboo sold part of its holding in Dr Foster to the Health and Social Care Information Centre (a department of the NHS) as part of a new joint venture with the government.

Subsequent to the period end Bamboo sold its entire holding in Jewson Associates Limited (formerly E Jewson Services to Charities) for a capital sum of £348,797 and accrued preference share dividends of £52,719; a total of £401,515 which represents an uplift of £240,415 to the book value at 31 December 2005.

Net asset value

In the six months to June 2006, the net asset value per share, calculated on the new number of shares, has increased from 9.63p to 22.6p. Although the return of capital and the increase in the value of Jewson Associates which has been recorded at the balance sheet date have increased the net asset value per share, provisions against the value of investments in APR Smartlogic and Sparesfinder have been made and the share price of our remaining holding in Careforce has fallen since the beginning of the year.

The net asset value per share of 22.6p at 30 June 2006 is equivalent to a total value to shareholders, including cash returned, of £1.29 for those shareholders who did not participate in the May 2003 tender offer and £0.88 for those that did participate in the May 2003 tender offer.

Results

The Group made an operating loss of £122,561 for the six month period after making a further provision for the incentive fee of £51,250. At 30 June 2006, the Group had cash, net of short term creditors, of £298,175. Subsequent to 30 June 2006, the cash has increased by £401,515 from the sale of Jewson Associates as outlined above. The Board is mindful of the ongoing running expenses on the reduced capital base and will endeavour to manage costs tightly.

Outlook

It is the Board's firm intention to return cash to Shareholders upon realisation of investments. It is unlikely that there will be a further return of capital during 2006 due to the cost associated with this exercise; however the Board will keep the situation closely under review and hope to make a further distribution in 2007.

The Board believes that some of the remaining companies continue to show promise and the overall prospects for further realisations over the next twelve months remain encouraging.

Michael Stoddart
Chairman

29 September 2006

BAMBOO INVESTMENTS (ISLE OF MAN) PLC

INVESTMENT PORTFOLIO

Venture capital investments by value	Historic Cost to Group	Directors' valuation	% of net assets
	£	£	%
Dr Foster Limited	383,601	862,677	35
Grosvenor Healthcare Limited	187,255	628,390	26
Jewson Associates Limited	270,096	401,516	16
Infrared Integrated Systems Limited	474,602	378,585	15
Casewise Systems Limited	267,862	161,100	6
ET&T Limited	107,758	107,758	4
Careforce PLC	50,954	93,424	4
Sparesfinder Limited	125,630	62,500	2
Total venture capital portfolio		2,695,950	108
Cash and other net current assets		306,769	(8)
Other liabilities		(500,000)	
Total net assets		2,502,719	100%
Net asset value per 5p share (pence)		22.6p	

BAMBOO INVESTMENTS (ISLE OF MAN) PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

	Note	Six months ended 30 June 2006 (unaudited)	Six months ended 30 June 2005 (unaudited)	Year ended 31 December 2005
Investment income	2	£ 53,288	£ 279,913	£ 472,226
Other income		-	-	-
Total income		53,288	279,913	472,226
Administrative expenses		(175,849)	(641,669)	(1,178,019)
Operating loss		(122,561)	(361,756)	(705,793)
Realised gains on investments		-	1,388,166	2,232,155
Movement in provisions for impairment of investments		(181,397)	489,708	311,452
(Loss)/profit on ordinary activities before taxation		(303,958)	1,516,118	1,837,814
Taxation on ordinary activities		-	(15,452)	(20,847)
(Loss)/profit on ordinary activities after taxation		(303,958)	1,500,666	1,816,967
Dividends		-	-	-
Retained (loss)/profit		(303,958)	1,500,666	1,816,967
(Loss)/profit per ordinary share (pence)	3	(15.7p)	0.75p	1.07p

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

	Six months ended 30 June 2006 (unaudited)	Six months ended 30 June 2005 (unaudited)	Year ended 31 December 2005
(Loss)/profit for the period	£ (303,958)	£ 1,500,666	£ 1,816,967
Unrealised gains in the period	119,244	525,272	785,431
Total recognised gains and losses	(184,714)	2,025,938	2,602,398
Total recognised gains and losses per share	(9.5p)	1.026p	1.53p

BAMBOO INVESTMENTS (ISLE OF MAN) PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	Note	30 June 2006 (unaudited)	30 June 2005 (unaudited)	31 December 2005
		£	£	£
Fixed assets				
Venture capital portfolio	4	2,695,950	3,669,835	3,450,273
		2,695,950	3,669,835	3,450,273
Current assets				
Debtors		8,594	223,370	459,173
Cash at bank		833,923	9,131,755	1,552,159
		842,517	9,355,125	2,011,332
Creditors: amounts falling due within one year		(535,748)	(143,427)	(163,888)
Net current assets		306,769	9,211,698	1,847,444
Total assets less current liabilities		3,002,719	12,881,553	5,297,717
Creditors due in more than one year		(500,000)	(717,000)	(860,000)
Net assets		2,502,719	12,164,533	4,437,717
Shareholders' funds				
Called up share capital		552,721	9,695,670	2,303,004
Share premium		-	910,610	-
Profit and loss account		855,897	662,762	979,064
Revaluation reserve		1,094,101	895,491	1,155,649
Total equity shareholders' funds	5	2,502,719	12,164,533	4,437,717
Net asset value per share (pence)		22.6p	6.24p	9.63p

Michael Stoddart
Chairman

29 September 2006

BAMBOO INVESTMENTS (ISLE OF MAN) PLC

COMPANY BALANCE SHEET (UNAUDITED)

	Note	30 June 2006 (unaudited)	30 June 2005 (unaudited)	31 December 2005
		£	£	£
Fixed assets				
Investment in subsidiaries		5,000	5,000	5,000
Venture capital portfolio	4	2,695,950	3,669,835	3,450,273
		2,700,950	3,674,835	3,455,273
Current assets				
Debtors		16,076	223,370	466,655
Cash at bank		788,885	9,078,513	1,507,926
		804,961	9,301,883	1,974,581
Creditors: amounts falling due within one year		(520,296)	(110,955)	(148,436)
Net current assets		284,665	9,190,928	1,826,145
Total assets less current liabilities		2,985,615	12,865,763	5,281,418
Creditors due in more than one year		(500,000)	(717,000)	(860,000)
Net assets		2,485,615	12,148,763	4,421,418
Shareholders' funds				
Called up share capital		552,721	9,695,670	2,303,004
Share premium account		-	910,610	-
Profit and loss account		904,311	437,128	913,909
Revaluation reserve		1,028,583	1,105,355	1,204,505
Total equity shareholders' funds	5	2,485,615	12,148,763	4,421,418
Net asset value per share (pence)		22.5p	6.23p	9.60p

Michael Stoddart
Chairman

29 September 2006

BAMBOO INVESTMENTS (ISLE OF MAN) PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	Six months ended 30 June 2006 (unaudited)	Six months ended 30 June 2005 (unaudited)	Year ended 31 December 2005
	£	£	£
Net cash outflow from operating activities	(32,002)	(87,533)	(94,490)
Capital expenditure and financial investment			
Purchase of fixed asset investments	(14,815)	(158,785)	(173,600)
Realisation of fixed asset investments	1,078,865	2,757,309	3,502,781
Net cash inflow from investing activities	1,064,050	2,598,524	3,329,181
Equity dividends paid	-	-	-
Net cash inflow before financing	1,032,048	2,510,991	3,234,691
Financing			
Issue of shares	-	-	250,000
Redemption of shares	(1,750,284)	-	(8,553,296)
Net cash outflow from financing	(1,750,284)	-	(8,303,296)
(Decrease)/increase in cash	(718,236)	2,510,991	(5,068,605)

NOTES TO THE INTERIM REPORT (UNAUDITED)

Note 1. Accounting policies

The interim financial statements have been prepared under the historic cost convention as modified by the revaluation of investments and in accordance with applicable Isle of Man law, the Statement of Recommended Practice issued by the Isle of Man Society of Chartered Accountants and the Association of Chartered Certified Accountants and applicable United Kingdom Accounting Standards. The accounting policies used for the statutory accounts to 31 December 2005 have been adopted.

Basis of consolidation

Bamboo Investments (Isle of Man) PLC was incorporated on 8 February 2005. During the year ended 31 December 2005, 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 was accounted for using the merger accounting principles set out in Financial Reporting Standard 6. Accordingly the financial information for the prior period has been presented as if Bamboo Investments Limited (formerly Bamboo Investments PLC) had been owned by Bamboo Investments (Isle of Man) PLC throughout the prior accounting period.

Note 2. Investment income

	Six months ended 30 June 2006 (unaudited)	Six months ended 30 June 2005 (unaudited)	Year ended 31 December 2005
	£	£	£
Income from Treasury Bills and loan stock	7,005	109,911	151,134
Income from cash deposits	46,283	170,002	321,092
	53,288	279,913	472,226

Note 3. Earnings per share

The calculation of loss per share for the six months to 30 June 2006 is based upon the loss attributable to shareholders after taxation of £303,958 and the weighted average number of shares in issue being 1,935,525. The six months to 30 June 2005 was based upon a profit attributable to shareholders after taxation of £1,500,666 and 198,913,400 shares being the restated weighted average number of shares in issue throughout the period.

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

BAMBOO INVESTMENTS (ISLE OF MAN) PLC

NOTES TO THE INTERIM REPORT (UNAUDITED)

Note 4. Venture capital portfolio

	Investments
Group	£
Cost	
At 1 January 2006	5,985,351
Additions	14,815
Realisations	(1,225,589)
At 30 June 2006	4,774,577
Surplus/(deficit) on revaluation	
At 1 January 2006	(2,575,348)
Revaluations in the period	(62,153)
Realisations	558,874
At 30 June 2006	(2,078,627)
Accumulated loan stock premium	
At 1 January 2006	40,270
Revaluations in the period	2,203
Realisations	(42,473)
At 30 June 2006	-
Directors' valuation at 30 June 2006	2,695,950
Directors' valuation at 1 January 2006	3,450,273

Note 5. Reconciliation of movement in shareholders' funds

	Six months ended 30 June 2006	Six months ended 30 June 2005	Year ended 31 December 2005
	(unaudited)	(unaudited)	
	£	£	£
Opening shareholders' funds	4,437,717	10,138,595	10,138,595
Exercise of warrants	-	-	250,000
(Loss)/profit for the period	(303,958)	1,500,666	1,816,967
Revaluation of investments in the period	119,244	525,272	785,431
Reduction of capital	(1,750,284)	-	(8,553,276)
Closing shareholders' funds	2,502,719	12,164,533	4,437,717

