



Bamboo

Investments (Isle of Man) PLC

‘..... a look to the future’

Bamboo Investments (Isle of Man) PLC

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Bamboo Investments (Isle of Man) PLC

Directors and Administration

Directors	M C Stoddart (Chairman) C D Pemberton D Robbie (deceased March 2006) G Ross Russell (resigned 20 June 2006) P P Scales
Secretary	P P Scales
Registered office	IOMA House Hope Street Douglas Isle of Man IM1 1AP
Company number	112765C
Administrator	IOMA Fund and Investment Management Limited IOMA House Hope Street Douglas Isle of Man IM1 1AP
Investment advisor	Close Ventures Limited 10 Crown Place London EC2A 4FT
Independent auditors	Deloitte & Touche Douglas Isle of Man
Legal advisers	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

Bamboo Investments (Isle of Man) PLC

Return to Shareholders

The following is an illustration of the return to shareholders to date for every £100 invested, assuming first that the shareholder tendered their shares in full in the May 2003 Tender Offer, and second that the shareholder did not participate in the Tender Offer.

1. Shares tendered in full

	£
Proceeds of May 2003 Tender Offer	39.98
Proceeds of October 2005 return of capital	32.03
Proceeds of June 2006 return of capital	6.56
Net asset value of holding at 31 December 2006	8.41
Total value to date for every £100 invested	86.98

2. No shares tendered

	£
Proceeds of October 2005 return of capital	86.00
Proceeds of June 2006 return of capital	17.59
Net asset value of holding at 31 December 2006	22.53
Total value to date for every £100 invested	126.12

Chairman's Statement

Introduction

I am pleased to present to you the financial statements of Bamboo Investments (Isle of Man) PLC for the twelve months ended 31 December 2006.

During the year the Company continued its business in the Isle of Man and returned £1.75 million to shareholders as a capital reduction.

2006 has been a quiet year for realisations though the Bamboo Group has made steady progress in selling portfolio companies at a premium to their book value. The shareholding in ET&T has been realised via a trade sale for £111,781 cash, compared to an initial investment of £107,758; the investment in Jewson Associates has been sold, also via a trade sale, for £401,516, compared to an initial investment of £268,736.

As mentioned in the last Annual Report, we have realised £440,450 during the period (of which £145,335 is deferred loan notes) from a partial disposal of our shares in Dr Foster. These shares were sold to the Health and Social Care Information Centre department of the National Health Service as part of a new joint venture with the government to be the principal supplier of healthcare information to the National Health Service. In addition, in order to realise more cash, we have also disposed of our loan stock and accrued redemption premium in Grosvenor Healthcare realising £417,407.

Since the year end, our investment in Careforce has been sold following the takeover of the company by Mears Group plc, realising proceeds of £147,512. We have also exercised an option to sell our holding in Casewise for £137,654. This takes your Company's current cash balances to over £1 million.

Investment Activity

In 2004 the Board resolved not to make any further new investments, other than follow-on investments in existing portfolio companies. At present we have no indications of further investments in existing portfolio companies. Hence the emphasis over the period has been to realise portfolio investments in order to return cash to shareholders.

Shareholder value

As the table on page 2 shows, shareholders who participated in the May 2003 Tender Offer have, for every £100 invested, received cash of £78.57, whilst retaining shares with a current net asset value of £8.41. Those who did not participate in the Tender Offer and who thus benefited to a greater degree in the subsequent rise in the value of the investment portfolio, have received a cash return of £103.59 for every £100 invested and still retain shares to the value of £22.53.

The Board

As I reported last year, it is with great sadness that I report the death of David Robbie in March of last year. Though his term as a Director of Bamboo was short, his contribution was very much appreciated and he is sadly missed.

Results

The Group made total recognised losses of £446,797 for the twelve month period and an operating loss of £161,324. At 31 December 2006, the Group had cash of £800,641. The operating loss before movements in the value of investments, was £161,324, down from £705,793 for 2005, and we would expect this loss to continue to decrease for the current year as we trim expenses in line with the reduction in your Company's asset base.

Chairman's Statement (*continued*)

Outlook and further return of capital

It remains the Board's intention to return cash to shareholders upon realisation of investments. I would like to advise shareholders that HM Revenue and Customs has recently given notice to Bamboo Investments Limited (the UK subsidiary) of its intention to enquire into the 2004 and 2005 tax returns. Our tax advisors, Ernst and Young, have advised the Directors that Bamboo Investments Limited acted legally and the Directors feel that no provision should be made in the accounts. On the grounds of prudence the Directors feel that it is not appropriate to make further returns of capital until the investigation is completed, which we hope will be in the current financial year.

The Board will continue to keep shareholders advised of the Group's progress. In the meantime, the potential sale prospects of a number of our investments are looking promising, and we anticipate that these could lead to a material increase in their carrying value. We are keen to continue to return cash to shareholders as soon as we can and we would hope for a further return of capital in the first half of 2008.

M C Stoddart
Chairman

14 May 2007

The Board of Directors

Non-Executive Directors

MC Stoddart (Chairman) – age 75

Michael Stoddart is the former chairman of Electra Investment Trust, one of the UK's leading providers of private equity; he held this position from 1986, having been appointed chief executive in 1974, to his retirement in April 2000. He is the former chairman of the Foundation of Entrepreneurial Management at the London Business School, a director of Merlin Ventures and holds a number of non-executive directorships in private companies in the UK. He is a senior advisor to Fleming Family and Partners.

CD Pemberton – age 57

Christopher Pemberton is a director of a number of property and investment companies and was formerly chief executive of an aviation services company. Christopher Pemberton is a qualified Chartered Director.

D Robbie – Appointed 10 February 2005, deceased March 2006

David Robbie held senior positions with The Royal Bank of Scotland and Abbey National and had approximately 40 years' experience in the finance industry. David Robbie was an associate of the Chartered Institute of Bankers.

PP Scales – age 57

Philip Scales is the former managing director of IOMA Fund and Investment Management Limited, which acts as administrator to Bamboo Investments (Isle of Man) PLC. Philip Scales has more than 27 years' experience in corporate and mutual fund administration and is a fellow of the Institute of Chartered Secretaries and Administrators.

The Advisor

The Advisor of Bamboo Investment (Isle of Man) PLC (“Bamboo”), Close Ventures Limited, (“CVL”) is a company authorised and regulated by the UK’s Financial Services Authority, and a member of the Close Brothers Group Plc. It is one of the market leaders in the area of Venture Capital Trust fund-raising and investment and in addition to other venture capital funds manages seven venture capital trusts, Close Brothers Venture Capital Trust PLC, Close Brothers Protected VCT PLC, Close Brothers Development VCT PLC, Close Technology & General VCT PLC, Close Income & Growth VCT PLC, Crown Place VCT PLC and Close Enterprise VCT PLC. CVL currently manages a total of £250 million. CVL was voted Best VCT Provider at the 2005 and 2006 Professional Advisor Awards.

CVL is responsible for, *inter alia*, the following functions:

- the origination, negotiation and execution of investments, all of which are subject to the formal investment committee procedures adopted internally by the Manager and final approval by the Board;
- the continuing management and monitoring of the Group’s investment portfolio;
- arranging for the realisation of investments, when appropriate to do so; and
- the provision of accounting and administration services to the Group.

The following people are specifically responsible for the management and administration of the VCTs managed by CVL and the Company’s investment portfolio:

Patrick Reeve, (47), MA, ACA, qualified as a chartered accountant with Deloitte Haskins & Sells before joining Cazenove & Co. where he spent three years in the corporate finance department. He joined the Close Brothers Group plc in 1989, initially in the development capital subsidiary, where he was a director specialising in the financing of smaller unquoted companies. He joined the corporate finance division in 1991, where he was also a director. He established Close Ventures Limited with the launch of Close Brothers Venture Capital Trust PLC in the spring of 1996.

Isabel Dolan, (42), ACA, MBA, is Finance Director of Close Ventures Limited having previously been Finance Director for a number of unquoted companies. From 1993-1997 she was Head of Recoveries at the Specialised Lending Services of The Royal Bank of Scotland plc and from 1997-2001 she was a Portfolio Director at 3i plc. She joined Close Ventures Limited in 2005.

Dr Andrew Elder, (36), MA, FRCS. After qualifying as a surgeon he practiced for six years, specialising in neurosurgery before joining the Boston Consulting Group as a consultant in 2001 specialising in healthcare strategy. He joined Close Ventures Limited in 2005.

Will Fraser-Allen, (36), BA (Hons), ACA, qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 before specialising in corporate finance and investigation. He joined Close Ventures Limited in 2001.

Emil Gigov, (36), BA (Hons), ACA, qualified as a chartered accountant with KPMG in 1997 and subsequently worked in KPMG’s corporate finance division working on the media, marketing and leisure sectors. He joined Close Ventures Limited in 2000.

David Gudgin, (33), BSc (Hons), ACMA, after working for ICL from 1993 to 1999 where he qualified as an accountant, he joined 3i plc as an investment manager based in London and Amsterdam. In 2002 he joined Foursome Investments, the venture capital arm of the Engelhorn family, responsible for investing an evergreen fund of US\$ 80 million, before joining Close Ventures Limited in 2005.

Ed Lascelles, (31), BA (Hons), joined the corporate broking department of Charterhouse Securities in 1998, focusing on primary and secondary equity fundraisings. He then moved to the corporate finance department of ING Barings in 2000, retaining his focus on smaller UK companies. He joined Close Ventures Limited in 2004.

Henry Stanford, (41), MA, ACA, qualified as a chartered accountant with Arthur Andersen before joining the corporate finance division of the Close Brothers Group in 1992. He became an assistant director in 1996 and transferred to Close Ventures Limited in 1998 to concentrate on VCT investment.

Mark Toomey, (30), BA (Hons). After graduating from The London School of Economics with a degree in geography and economics, he joined Lee & Allen Consulting focusing on forensic accounting. He joined Close Ventures Limited in 2001.

The Advisor (*continued*)

Robert Whitby-Smith, (31), BA (Hons), MSI, ACA, qualified as a chartered accountant with KPMG in their corporate finance division. From 2000 to early 2005 he worked in the UK corporate finance departments of Credit Suisse First Boston and subsequently ING Barings, where he was a vice president. He joined Close Ventures Limited in 2005.

The Advisor to Close Venture Management Limited

Stonesfield Capital Limited, a company authorised and regulated by the Financial Services Authority, has entered into an advisory agreement with Close Ventures, to advise Close Ventures Limited on the following activities relating to Bamboo:

- assisting with the monitoring of Bamboo's investment portfolio;
- assisting Close in the preparation of progress reports regarding all portfolio companies; and
- assisting with the sale of investments, including the identification of purchasers and the negotiation of terms.

James Stoddart, previously chief executive officer of Bamboo, owns and manages Stonesfield Capital Limited. James is co-founder of Bestport Ventures LLP together with Ole Bettum.

Bamboo Investments (Isle of Man) PLC

Portfolio Review

Largest venture capital investments by Directors' valuation	Historic cost to Group	Directors' valuation	% of NAV by valuation
	£	£	%
Dr Foster Limited	385,010	862,677	39%
Grosvenor Healthcare	187,255	499,428	22%
Infrared Integrated Systems Limited	474,602	283,939	13%
Casewise Systems Limited	267,862	137,653	6%
Careforce Group Limited	50,954	99,325	4%
Sparesfinder Limited	125,630	64,809	3%
Venture capital portfolio	1,491,313	1,947,831	87%
Cash and other net assets		292,806	13%
Total net assets		2,240,637	100%
Net asset value per share (pence)		20.27p	

Bamboo Investments (Isle of Man) PLC

Report of the Directors

The Directors submit the Report and Accounts of Bamboo Investments (Isle of Man) PLC for the year to 31 December 2006.

Group reconstruction

Bamboo Investments (Isle of Man) PLC (“Bamboo”) was incorporated on 8 February 2005. With effect from 14 April 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. Shareholders of Bamboo Investments Limited (formerly Bamboo Investments PLC) received 20 shares in Bamboo Investments (Isle of Man) PLC in exchange for each of their shares in Bamboo Investments Limited.

Following the Scheme of Arrangement, on 14 April 2005, Bamboo Investments Limited (formerly Bamboo Investments PLC) transferred its investment portfolio and current assets to Bamboo Investments (Isle of Man) PLC by way of a dividend. In addition, Bamboo Investments (Isle of Man) PLC has assumed all the liabilities of Bamboo Investments Limited and has indemnified it against any future liabilities.

Subsequent to the Scheme of Arrangement, on 14 April 2005, Bamboo Investments (No 2) Limited and Bamboo Investments (Isle of Man) PLC entered into a hive up agreement whereby Bamboo Investments (No 2) transferred to Bamboo (Isle of Man) the investment portfolio held by it at the time and the deferred consideration receivable from the sale of one investment. Bamboo (Isle of Man) assumed all outstanding liabilities of Bamboo (No 2) and has indemnified Bamboo (No 2) against all future liabilities.

Capital reduction

In October 2005 the Company returned £8.6 million cash to shareholders by the cancellation of 152.8 million shares and the cancellation of its share premium account. In June 2006 the Company returned £1.75 million to shareholders by the cancellation of 35 million shares. Details of the share capital of the Company are shown in Note 13.

Principal activity

The principal activity of Bamboo Investments (Isle of Man) PLC in the year under review is that of an investment holding company. The Directors intend that this will continue to be Bamboo’s principal activity for the foreseeable future.

Business review

The Company’s investment strategy remains to return cash to shareholders upon the realisation of investments. Close Ventures Limited provides investment advice to the Company.

On 29 January 2007 the Company changed its administrators to IOMA Fund and Investment Management Limited, IOMA House, Hope Street, Douglas, Isle of Man. Previously the administration of the Company was performed by Northern Trust International Fund Administration (Isle of Man) Limited.

The Director’s do not foresee any major changes in the activity undertaken by the Company in the current year, as the Company continues with its objectives. Details of the principal investments made by the Company are shown in the portfolio review on page 8. A detailed review of the Company’s business during the year and future prospects is contained in the Chairman’s Statement on page 3.

Results and dividends

	31 December 2006	31 December 2005
	£	£
Retained (loss)/profit for the year	(311,554)	1,816,967
Unrealised (losses)/gains in the year	(135,243)	785,431
Total recognised gains and losses for the year	(446,797)	2,602,398

The Directors do not recommend the payment of a dividend (2005: £Nil).

Key performance indicators

The Group is not making further investments and is in the process of realising its investment portfolio and returning cash to shareholders, therefore typical key performance indicators such as total expense ratios are not relevant for this case.

Report of the Directors (*continued*)

Principal risks and uncertainties

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, cash flow risk and price risk.

Investment risk

This is the risk of investment in poor quality assets which reduce the capital and income returns to shareholders and negatively impacts on the Company's reputation. By nature, smaller unquoted businesses are more fragile than larger, long-established businesses.

To reduce this risk, the Board places reliance upon the skills and expertise of the Advisor and their strong track record for investing in this segment of the market. Investments are actively and regularly monitored by the Advisor and the Board receives detailed reports on each investment at board meetings.

Reliance upon third parties risk

The Company is reliant upon the services of Close Ventures Limited and IOMA Fund and Investment Management Limited for the provision of management and administration. Previously the administration of the Company was performed by Northern Trust International Fund Administration (Isle of Man) Limited. The Advisor demonstrates to the Board that there is no undue reliance placed upon one individual within these third parties.

Financial risks

By its nature, the Company is exposed to credit risk, liquidity risk and cash flow interest rate risk. The Company's exposure to credit risk is minimal and the Advisor actively and regularly monitors the interest rate that the Company is earning on its cash deposits.

All of the Company's income and expenditure is denominated in sterling and hence the Company has no foreign currency risk.

The Company is financed through equity and does not have any borrowings.

Directors

The Directors who held office throughout the year, and their interests in the shares of the Company (together with those of their immediate family) are shown below:

Directors' interest in shares

	31 December 2006	31 December 2005
	£	£
M C Stoddart	776,121	3,213,025

All shares are Ordinary shares of 5 pence per share.

There have been no changes in the holdings of the Directors between 31 December 2006 and the date of this report.

No director has a service contract with the Company. Details of the Directors' remuneration can be found in Note 4 to the financial statements. As at the date of this report Bamboo does not have any employees.

Advisory agreement

Bamboo and Close Ventures Limited entered into an Advisory agreement on 11 February 2005 (effective from the date of the hive up) for an initial fixed term of one year, which may be terminated by either party on 12 months' notice.

Under the terms of the Advisory Agreement, Close Ventures Limited is paid (quarterly in arrears) an annual fee equal to 2.5 per cent. (plus any applicable VAT) of the net asset value of Bamboo. Close Ventures Limited are also entitled to a secretarial and administration fee of £25,000 (plus any applicable VAT) per annum.

Report of the Directors (*continued*)

Performance incentive fee

In order to reward the Advisor for the maximisation of the returns to shareholders, the Advisor is, in addition, entitled under the management agreement to an incentive fee, payable following the end of each financial year, in the event that returns to shareholders exceed minimum target levels, being calculated as 20 per cent. of the excess of the proceeds returned to shareholders after calculating an 8 per cent. per annum annual hurdle rate on the net asset value of Bamboo at 8 May 2003. Following the reduction of capital which took effect in October 2005, whereby the Company returned £8.6 million to shareholders, the hurdle had been exceeded and an amount of £104,540 was paid to the Advisor by way of incentive fee.

Subsequent to this, in June 2006, an amount of £1,750,283 was returned to shareholders, the Advisor received 20 per cent. of the amount returned plus vat.

Based on the net asset value of Bamboo as at 31 December 2006, a provision of £443,324 has been made in the balance sheet (Note 12). The provision is the Directors' best estimate of the amount payable.

Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

Statement of Directors' Responsibilities

Isle of Man company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Company and the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether all applicable 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 which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Isle of Man Companies Acts 1931-2004. They are also responsible for the system of internal control, for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that applicable accounting standards have been followed in the financial statements accompanying this report.

Supplier payment policy

The Group negotiates payment terms with its suppliers on an individual basis, with the normal arrangements being within 15 to 30 days from receipt of invoice. Trade creditor days of the Company for the year ended 31 December 2006 were 0 days (2005: 0 days) based on the ratio of trade creditors at the end of the year to amounts invoiced during the period by trade creditors.

Annual General Meeting

The Annual General Meeting will be held on 26 June 2007 at 10.00 a.m. at the Registered Office. The notice of the Annual General Meeting is at the end of this document.

Re-appointment of Directors

At the forthcoming Annual General Meeting, as ordinary business and as required by the Articles of Association, Mr PP Scales as Director will retire by rotation and being eligible offer himself for re-election.

Signed on behalf of the Board of Directors.

M C Stoddart
Chairman

Independent Auditors' Report to the Members of Bamboo Investments (Isle of Man) PLC

We have audited the financial statements of Bamboo Investments (Isle of Man) PLC for the year ended 31 December 2006 which comprise the consolidated income statement, the consolidated statement of total recognised gains and losses, the consolidated balance sheet, the company balance sheet, the consolidated reconciliation of movement in shareholders funds, the consolidated cash flow statement and the related notes 1 to 19. 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 15 of the Companies Act 1982. 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 auditors' 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

As described in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable Isle of Man law and United Kingdom Generally Accepted Accounting Practice. Our responsibility is to audit the financial statements in accordance with relevant Isle of Man legal and regulatory requirements and auditing standards.

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 1982. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if 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' transactions with the Company are not disclosed.

We read the Directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 circumstances of the Company and the Group, 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 group's and the parent company's affairs as at 31 December 2006 and the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1931-2004.

Deloitte & Touche

Chartered Accountants

Isle of Man

14 May 2007

Neither an audit nor a review provides assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the Directors but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

Bamboo Investments (Isle of Man) PLC

Consolidated Income Statement

	Note	Year Ended 31 December 2006	Year Ended 31 December 2005
		£	£
Investment income	1,2	69,919	472,226
Total income		69,919	472,226
Administrative expenses	3,4	(231,243)	(1,178,019)
Operating loss		(161,324)	(705,793)
Realised gains on investments		135,443	2,232,155
Increase/(decrease) of provisions for impairment of investments		(299,484)	311,452
(Loss)/profit on ordinary activities before taxation		(325,365)	1,837,814
Taxation on ordinary activities	1,5	13,811	(20,847)
(Loss)/profit on ordinary activities after taxation attributable to equityholders		(311,554)	1,816,967

Consolidated Statement of Total Recognised Gains and Losses

	Year Ended 31 December 2006	Year Ended 31 December 2005
	£	£
(Loss)/profit for the year	(311,554)	1,816,967
Unrealised (losses)/gains in the year	(135,243)	785,431
Total recognised gains and losses for the year	(446,797)	2,602,398
Total recognised gains and losses per share <i>(see note 6)</i>	(1.72)p	1.53p

Bamboo Investments (Isle of Man) PLC

Consolidated Balance Sheet

	Note	31 December 2006 £	31 December 2005 £
Fixed assets			
Venture capital portfolio	1,8	1,947,831	3,450,273
Total fixed assets		1,947,831	3,450,273
Current assets			
Debtors	10	28,463	459,173
Cash at bank	16,17	800,641	1,552,159
		829,104	2,011,332
Creditors: amounts falling due within one year	11	(92,974)	(163,888)
Net current assets		736,130	1,847,444
Total assets less current liabilities		2,683,961	5,297,717
Creditors amounts falling due in more than one year	12	(443,324)	(860,000)
Net assets		2,240,637	4,437,717
Capital and reserves			
Called up share capital	13	552,721	2,303,004
Profit and loss account		849,706	979,064
Revaluation reserve		838,210	1,155,649
Total equity shareholders' funds		2,240,637	4,437,717

The financial statements on pages 13 to 25 were approved by the Board of Directors on 14 May 2007.

Signed on behalf of the Board of Directors.

M C Stoddart
Chairman

P P Scales
Director

Bamboo Investments (Isle of Man) PLC

Company Balance Sheet

	Note	31 December 2006 £	31 December 2005 £
Fixed assets			
Venture capital portfolio	1,8	1,947,831	3,450,273
Investment in subsidiary	9	5,000	5,000
Total fixed assets		1,952,831	3,455,273
Current assets			
Debtors	10	23,446	466,655
Cash at bank		771,145	1,507,926
		794,591	1,974,581
Creditors: amounts falling due within one year	11	(92,974)	(148,436)
Net current assets		701,617	1,826,145
Total assets less current liabilities		2,654,448	5,281,418
Creditors: amounts falling due in more than one year	12	(443,324)	(860,000)
Net assets		2,211,124	4,421,418
Capital and reserves			
Called up share capital	13	552,721	2,303,004
Profit and loss account		1,009,702	913,909
Revaluation reserve		648,701	1,204,505
Total equity shareholders' funds		2,211,124	4,421,418

The financial statements on pages 13 to 25 were approved by the Board of Directors on 14 May 2007.

Signed on behalf of the Board of Directors.

M C Stoddart
Chairman

P P Scales
Director

Bamboo Investments (Isle of Man) PLC

Consolidated Reconciliation of Movement in Shareholders' Funds

	Called up share capital	Revenue reserve	Revaluation reserve	Total
	£	£	£	£
As at 1 January 2006	2,303,004	979,064	1,155,649	4,437,717
Net realised gains on investments during the year	–	182,196	(182,196)	–
Cancellation of own shares	(1,750,283)	–	–	(1,750,283)
Movement in unrealised appreciation	–	–	(135,243)	(135,243)
Revenue return attributable to shareholders	–	(311,554)	–	(311,554)
As at 31 December 2006	552,721	849,706	838,210	2,240,637

Bamboo Investments PLC

Consolidated Cash Flow Statement

		Year Ended 31 December 2006	Year Ended 31 December 2005
	Note	£	£
Net cash outflow from operating activities	15	(562,581)	(94,490)
Capital expenditure and financial investments			
Purchase of investments	8	(14,815)	(173,600)
Disposals of investments		1,592,162	3,502,781
Net cash inflow from investing activities		1,577,347	3,329,181
Corporate taxation paid		(16,001)	–
Equity dividends paid		–	–
Net cash inflow before financing		998,765	3,234,691
Financing			
Issue of shares		–	250,000
Redemption of shares		(1,750,283)	(8,553,296)
Decrease in cash		(751,518)	(5,068,605)

Notes to the Financial Statements

1. Accounting policies

Accounting convention

The financial statements are 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 principal accounting policies of the Group are set out as follows.

Basis of consolidation

Bamboo Investments (Isle of Man) PLC was incorporated on 8 February 2005. During 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 year has been presented as if Bamboo Investments Limited had been owned by Bamboo Investments (Isle of Man) PLC for the whole year.

Investment income

Dividends receivable from listed shares are accrued from the date the shares are declared ex-dividend; income from unlisted shares is accounted for as dividends are received; interest on fixed interest securities is accounted for on an accruals basis.

Income receivable in the form of redemption premium is accounted for in the income statement on a time apportionment basis.

Fixed asset investments

Investments are held as fixed asset investments.

Fixed interest securities are valued at an amortised cost basis.

Unlisted investments are stated at Directors' valuation. The Directors base the valuations on the International Private Equity and Venture Capital Valuation Guidelines.

Debtors and creditors

Debtors do not carry any interest and are short term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The Directors consider that the carrying amount of debtors approximates their fair value.

Creditors are non-interest bearing and are stated at their nominal value. The Directors consider that the carrying amount of creditors approximates their fair value.

Taxation

The charge for taxation is based upon the net profit for the year. Deferred taxation is provided in accordance with FRS 19 in full on all timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred taxable assets are recognised to the extent that it is regarded as more likely than not that they are recoverable.

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

2. Investment income

	Year Ended 31 December 2006	Year Ended 31 December 2005
	£	£
Loan stock interest	7,461	76,061
Loan stock redemption premium	2,203	75,073
Dividend income	492	–
Deposit interest	59,763	321,092
Total	69,919	472,226

3. Operating loss is stated after charging:

	Year Ended 31 December 2006	Year Ended 31 December 2005
	£	£
Directors emoluments	21,492	17,752
Auditors remuneration		
Audit fees	17,645	19,663
Other fees	–	–

4. Directors' emoluments

	Year Ended 31 December 2006	Year Ended 31 December 2005
	£	£
Non-executive Directors		
Fees	21,492	17,752
Total	21,492	17,752

5. Taxation on ordinary activities

The Company is currently registered as an exempt company under the provisions of the Income Tax (Exempt Companies) Act 1984 and accordingly pays no tax in the Isle of Man. From 6 April 2007 the Company will be subject to the general rate of corporation income tax in the Isle of Man of 0%.

The company's subsidiaries are subject to UK corporation tax at 30% (2005: 30%).

	Year Ended 31 December 2006	Year Ended 31 December 2005
	£	£
Current tax		
UK corporation tax	13,811	(15,452)
Foreign tax	–	(5,395)
Total current tax	13,811	(20,847)
Deferred tax		
Origination and reversal of timing differences	–	–
Total deferred tax	–	–
Total tax on profit on ordinary activities	13,811	(20,847)

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

5. Taxation on ordinary activities (*continued*)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year Ended 31 December 2006	Year Ended 31 December 2005
<u>Current taxation</u>		
(Loss)/profit on ordinary activities	(325,365)	1,837,814
Tax on Group profit on ordinary activities at standard corporation tax of 30% (2005: 30%)	97,609	(551,344)
<u>Effects of applying the standard rate and current charge:</u>		
Expenses not deductible for tax purposes	–	(49,268)
(Losses)/profits not subject to taxation	(97,609)	621,459
Release of prior year overprovision	(13,811)	–
Total current taxation	(13,811)	20,847

6. Loss per share

	Year Ended 31 December 2006	Year Ended 31 December 2005
Retained (loss)/profit for the year	£(311,554)	£1,816,967
Weighted average number of shares in issue	26,015,343	170,354,285
(Loss)/earnings per share (pence)	(1.20)p	1.07p
Reconciliation of loss per share to total recognised gains and losses per share	Year Ended 31 December 2006	Year Ended 31 December 2005
	p	p
(Loss)/earnings per share (as above)	(1.20)	1.07
Unrealised (losses)/gains on investments revalued during year	(0.52)	0.46
Total recognised gains and losses arising in the year	(1.72)	1.53

7. Profits of Company

Of the losses for the financial year, a loss of £86,403 is dealt with in the accounts of Bamboo Investments (Isle of Man) PLC.

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

8. Venture capital investments

	Year ended 31 December 2006	Year ended 31 December 2005
	£	£
Group		
Venture capital portfolio b/f	3,450,273	3,900,432
Loan stock premium b/f	(40,270)	(63,322)
Directors' valuation b/f	3,410,003	3,837,110
Net unrealised depreciation	2,575,348	3,655,578
Historic cost b/f	5,985,351	7,492,688
Additions	14,815	158,785
Disposals	(1,602,033)	(1,666,122)
Historic cost c/f	4,398,133	5,985,351
Net unrealised depreciation	(2,452,611)	(2,575,348)
Directors' valuation c/f	1,945,522	3,410,003
Accrued interest/Loan stock premium c/f	2,309	40,270
Venture capital portfolio c/f	1,947,831	3,450,273
	£	£
Company		
Venture capital portfolio b/f	3,450,273	–
Loan stock premium b/f	(40,270)	–
Directors' valuation b/f	3,410,003	–
Net unrealised depreciation	(1,112,224)	–
Historic cost b/f	2,297,779	–
Additions	14,815	3,454,655
Disposals	(862,371)	(1,156,876)
Historic cost c/f	1,450,223	2,297,779
Net unrealised appreciation	495,299	1,112,224
Directors' valuation c/f	1,945,522	3,410,003
Accrued interest/Loan stock premium c/f	2,309	40,270
Venture capital portfolio c/f	1,947,831	3,450,273

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

9. Investment in subsidiary

	31 December 2006	31 December 2005
	£	£
Company		
B/f cost	5,000	–
Addition	–	5,000
Disposal	–	–
Net book cost	5,000	5,000

Under a scheme of arrangement dated 19 February 2005, Bamboo Investments (Isle of Man) PLC became the holding company of Bamboo Investments Limited (Formerly Bamboo Investments PLC).

Investment	Country of incorporation	Activity	Ordinary shares held
Bamboo Investments Limited	United Kingdom	Investment holding	100%
Bamboo (No 2) Limited	United Kingdom	Investment holding	100%

10. Debtors

	31 December 2006	31 December 2005
	£	£
Group		
Trade debtors	640	5,108
Other debtors	14,359	426,965
Prepayments and accrued income	13,464	27,100
Total	28,463	459,173
	£	£
Company		
Trade debtors	640	5,108
Other debtors	–	426,965
Prepayments and accrued income	13,463	27,100
Amounts due from subsidiary undertaking	9,343	7,482
Total	23,446	466,655

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

11. Creditors

	31 December 2006	31 December 2005
Amounts falling due within one year	£	£
Group		
Trade creditors	9,478	–
Corporate taxation	–	15,452
Accruals and deferred income	83,496	148,436
Total	92,974	163,888
	£	£
Company		
Trade creditors	9,478	–
Accruals and deferred income	83,496	148,436
Total	92,974	148,436

12. Creditors

	31 December 2006	31 December 2005
Amounts falling due in more than one year	£	£
Group		
<i>Due between two and three years</i>		
Provision for incentive fee b/f	860,000	349,500
Amount paid during year	(411,270)	(104,540)
Charge to profit and loss account during year	(5,406)	615,040
Provision for incentive fee c/f	443,324	860,000
	£	£
Company		
<i>Due between two and three years</i>		
Provision for incentive fee b/f	860,000	–
Provision assumed under Scheme of Arrangement	–	370,000
Amount paid during year	(411,270)	(104,540)
Charge to profit and loss account during year	(5,406)	594,540
Provision for incentive fee c/f	443,324	860,000

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

13. Share capital

Company	Year ended 31 December 2006	
	Number	Nominal Value
Authorised share capital upon incorporation and at 31 December 2006	400,000,000	20,000,000
Allotted, called-up and fully paid		
At 31 December 2005	46,060,080	2,303,004
Cancelled under capital reduction of June 2006	(35,005,661)	(1,750,283)
At 31 December 2006	11,054,419	552,721

All shares are Ordinary shares of 5 pence.

14. Capital commitments

The Company and the Group had no financial commitments at 31 December 2006 (2005: £Nil).

15. Reconciliation of operating income to net cash flow from operating activities

	Year Ended 31 December 2006	Year Ended 31 December 2005
	£	£
Operating loss	(161,324)	(705,793)
Loan stock redemption premium	40,271	23,052
Other	–	(5,377)
Decrease/(increase) in debtors and accrued income	30,610	3,582
(Decrease)/increase in creditors	(472,138)	590,046
Net cash outflow from operating activities	(562,581)	(94,490)

16. Reconciliation of net cash flow to movement in net funds

	Year Ended 31 December 2006	Year Ended 31 December 2005
	£	£
Opening funds	1,552,159	6,620,764
Net changes in cash	(751,518)	(5,068,605)
Closing funds	800,641	1,552,159

17. Analysis of changes in net funds

	Year Ended 31 December 2006	Year Ended 31 December 2005
	£	£
Opening cash at bank	1,552,159	6,620,764
Net changes in cash	(751,518)	(5,068,605)
Closing cash at bank	800,641	1,552,159

Notes to the Financial Statements (*continued*)

18. Post balance sheet events

As at the date of this report, other than in the normal course of business, there were no post balance sheet events to report.

19. Related party transactions

Close Ventures Limited is considered to be a related party, by virtue of the fact that it is party to a contract with the Company. During the year, management fees and incentive fees (inclusive of VAT) of a total value of £542,627 (2005: £456,364) were paid by the Company to Close Ventures Limited. At the financial year end, the amount due to Close Ventures Limited was £18,379 (2005: £89,308).

Bamboo Investments (Isle of Man) PLC

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Bamboo Investments (Isle of Man) PLC (“the Company”) will be held at 10.00 a.m. on 26 June 2007 at IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP for the following purposes:

Ordinary business

1. To receive the Directors’ report and the audited financial statements for the year ended 31 December 2006.
2. That Deloitte & Touche be reappointed auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and their remuneration be fixed by the Directors.
3. To re-elect Mr PP Scales as a Director of the Company who in accordance with Article 101 of the Company’s Articles of Association is due to retire by rotation and being eligible offers himself for re-election.

PP Scales
Company Secretary
14 May 2007

Registered Office

IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

Bamboo Investments (Isle of Man) PLC

Notes

Every member entitled to attend and vote at the above meeting may appoint one or more proxy to attend and vote on his behalf. A proxy need not be a member of the Company. Forms of proxy and any power of attorney or other authority (if any) under which it is signed must be lodged at the offices of the registrars of the Company not less than 48 hours before the meeting. Completion and return of a form of proxy will not prevent a member from attending and voting at the meeting. Only those shareholders registered in the register of members of the Company at the close of business 48 hours before the meeting shall be entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at that time.

The following documents will be available for inspection at the Company's registered office during business hours on any weekday (excluding Saturdays and public holidays) from the date of this Notice until the conclusion of the Annual General Meeting:

- (i) the Company's Articles of Association; and
- (ii) the register of Directors' interests in the share capital of the Company.

