

Bamboo

Investments (Isle of Man) PLC

‘..... a look to the future’

Annual Report 2007

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 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 that 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 2007	9.48
Total value to date for every £100 invested	88.05

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 2007	25.41
Total value to date for every £100 invested	129.00

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 2007.

During the year £430,008 was received from the realisations of Careforce Group PLC and Casewise Systems Limited, and from the redemption of the deferred loan note in Dr Foster Limited. As reported in our Interim Statement, Careforce was the subject of a take over by Mears Group PLC at £1.50 per share compared to an original investment of £0.51 per share. We also exercised an option to sell our holding in Casewise for £137,654. This took your Company's year end cash balances to £1.1 million, while net assets rose during the year from £2.2 million to £2.5 million, an increase of 13%, largely driven by an increase in the valuation of our holding in Grosvenor Health Limited.

Portfolio Company Performance

We continue to work on the disposal of the investments within the Company's portfolio and discussions are continuing on a number of fronts which we hope should see further realisations over the next year to 18 months.

Dr Foster has made good progress over the last year and has increased turnover by 140%, principally on the back of a new contract to manage the NHS Choices website. From its initial investment of £500,000, Bamboo has now received £440,450 while still retaining a stake valued currently at £717,342. Grosvenor Health is performing well and both turnover and profits increased last year; the current year is looking strong following substantial contract wins. IRISYS' performance in 2007 showed an improvement on the previous year and prospects are encouraging for 2008.

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 (2006: £78.57), whilst retaining shares with a current net asset value of £9.48 (2006: £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 (2006: £103.59) for every £100 invested and still retain shares to the value of £25.41 (2006: £22.53).

Results

The Group made total recognised gains of £286,280 (2006: loss £446,797) for the twelve month period and an operating loss of £172,986 (2006: loss £161,324). Total operating expenses before any provision for the Investment Adviser's performance incentive of £60,632 fell by 30% from the 2006 level, and we expect further reductions in the current year.

Outlook and further return of capital

It remains the Board's intention to return cash to Shareholders upon realisation of investments. The Board is mindful of both time and the cost of running Bamboo, but balance this against the desire to obtain the best value for shareholders and of maximising the sales value of our investment portfolio.

As shareholders are aware, HM Revenue & Customs opened an enquiry into Bamboo's tax affairs at the end of 2006. The enquiry has been slow moving and to date HM Revenue & Customs has not made any assessments. However, recent correspondence has been positive, leading us to hope this will be resolved over the next few months in a satisfactory manner. We do not deem it prudent to distribute the Company's substantial cash balance until we have received HM Revenue & Customs approval, assuming that such approval is forthcoming. Once this has been resolved, we will be looking to return further cash to shareholders.

The Board will continue to keep shareholders advised of progress.

M C Stoddart
Chairman
13 June 2008

The Board of Directors

Non-Executive Directors

MC Stoddart (Chairman) – age 76

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, chairman of Elderstreet Millennium VCT 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 58

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.

PP Scales – age 58

Philip Scales is the 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 30 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 subsidiary of 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 £255 million.

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 Bamboo's investment portfolio;
- arranging for the realisation of investments, when appropriate to do so; and
- the provision of accounting and administration services to Bamboo.

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

Patrick Reeve, (48), 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, (43), 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.

The Advisor (*continued*)

Dr Andrew Elder, (37), 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, (37), 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, (37), 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, (34), 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, (32), 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, (43), 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.

Robert Whitby-Smith, (32), 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.

Michael Kaplan, (31), BA, MBA. After graduating from the University of Washington in 1999 with a BA in International Finance, he joined Marakon Associates as an Analyst. In 2000, he became the Chief Financial Officer of Widevine Technologies, a security software company based in Seattle. Then, after graduation with his MBA from INSEAD, in 2004 he joined the Boston Consulting Group focusing on the retail and financial services industries. He joined Close Ventures Limited in 2007.

Marco Yu (30), MPhil, MA, MRICS, qualified as a chartered surveyor in 2004. From 2002 to 2005, he worked at Bouygues (UK), developing cost management systems for PFI schemes, before moving to EC Harris in 2005, where he advised senior lenders on large capital projects. He joined Close Ventures Limited in 2007.

The Advisor to Close Ventures 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 Ventures 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	239,675	717,342	28%
Grosvenor Health Limited	187,255	872,559	35%
Infrared Integrated Systems Limited	474,602	283,939	11%
sparesFinder Limited	125,630	63,726	2%
Cashfac Limited	52,020	39,394	2%
Venture capital portfolio	1,079,182	1,976,960	78%
Cash and other net assets		549,957	22%
Total net assets as at 31 December 2007		2,526,917	100%
Net asset value per share as at 31 December 2007 (pence)		22.86p	

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 2007.

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) Limited transferred to Bamboo Investments (Isle of Man) PLC, the investment portfolio held by it at the time and the deferred consideration receivable from the sale of one investment. Bamboo Investments (Isle of Man) PLC assumed all outstanding liabilities of Bamboo Investments (No 2) Limited and has indemnified it 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 31 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 6. 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 2007	31 December 2006
	£	£
Retained loss for the year	(86,851)	(311,554)
Unrealised gains/(losses) in the year	373,131	(135,243)
Total recognised gains and losses for the year	286,280	(446,797)

The Directors do not recommend the payment of a dividend (2006: 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 advice and administration. Previously the administration of the Company was performed by Northern Trust International Fund Administration (Isle of Man) Limited. The Advisor has demonstrated 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 2007	31 December 2006
	Number of shares	Number of shares
M C Stoddart	606,555	606,555

All shares are Ordinary shares of 5 pence per share.

There have been no changes in the holdings of the Directors between 31 December 2007 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 the Company. 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 after the end of each financial year, in the event that returns to shareholders exceed minimum target levels, being calculated as 20% of the excess of the proceeds returned to shareholders after calculating an 8% 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% of the amount returned plus VAT.

Based on the net asset value of Bamboo as at 31 December 2007, a provision of £503,995 has been made in the balance sheet (see note 12). The provision is the Directors' best estimate of the amount payable.

Auditors

During the year, the Board decided to put the audit of the Company out to tender. Following a formal selection process, the Board have decided to propose a resolution for the appointment of PKF (Isle of Man) LLC at the forthcoming Annual General Meeting.

In view of the proposed change in auditors, Deloitte & Touche, who are the auditors for the financial year ended 31 December 2007, have informed the Company of their intention not to seek reappointment at the forthcoming 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 to 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 2007 were 0 days (2006: 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 16 July 2008 at 11.00 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 C. D Pemberton 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
13 June 2008

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 2007 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

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. 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 Acts 1931 to 2004. 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 is 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 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 2007 and the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts 1931-2004.

Deloitte & Touche

Chartered Accountants

Isle of Man

13 June 2008

Bamboo Investments (Isle of Man) PLC

Consolidated Income Statement

	Note	Year Ended 31 December 2007	Year Ended 31 December 2006
Investment income	1,2	£ 50,971	£ 69,919
Total income		50,971	69,919
Administrative expenses		(223,957)	(231,243)
Operating loss	3,4	(172,986)	(161,324)
Realised gains on investments		47,691	135,443
Decrease/(increase) in provisions for impairment of investments		39,394	(299,484)
Loss on ordinary activities before taxation		(85,901)	(325,365)
Taxation on ordinary activities	1,5	(950)	13,811
Loss on ordinary activities after taxation attributable to equityholders		(86,851)	(311,554)

Consolidated Statement of Total Recognised Gains and Losses

	Year Ended 31 December 2007	Year Ended 31 December 2006
Loss for the year	£ (86,851)	£ (311,554)
Unrealised gains/(losses) in the year	373,131	(135,243)
Total recognised gains/(losses) for the year	286,280	(446,797)
Total recognised gains/(losses) per share	2.59p	(1.72)p

Bamboo Investments (Isle of Man) PLC

Consolidated Balance Sheet

	Note	31 December 2007 £	31 December 2006 £
Fixed assets			
Venture capital portfolio	1,8	1,976,960	1,947,831
Total fixed assets		1,976,960	1,947,831
Current assets			
Debtors	10	28,462	28,463
Cash at bank	16,17	1,104,529	800,641
		1,132,991	829,104
Creditors: amounts falling due within one year	11	(79,079)	(92,974)
Net current assets		1,053,912	736,130
Total assets less current liabilities		3,030,872	2,683,961
Creditors: Amounts falling due after more than one year	12	(503,955)	(443,324)
Net assets		2,526,917	2,240,637
Capital and reserves			
Called up share capital	13	552,721	552,721
Profit and loss account		811,225	849,706
Revaluation reserve		1,162,971	838,210
Total equity shareholders' funds		2,526,917	2,240,637

The financial statements on pages 11 to 20 were approved by the Board of Directors on 13 June 2008.

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 2007 £	31 December 2006 £
Fixed assets			
Venture capital portfolio	1,8	1,976,960	1,947,831
Investment in subsidiaries	9	5,000	5,000
Total fixed assets		1,981,960	1,952,831
Current assets			
Debtors	10	14,104	23,446
Cash at bank		1,104,529	771,145
		1,118,633	794,591
Creditors: Amounts falling due within one year	11	(98,282)	(92,974)
Net current assets		1,020,351	701,617
Total assets less current liabilities		3,002,311	2,654,448
Creditors: Amounts falling due after more than one year	12	(503,955)	(443,324)
Net assets		2,498,356	2,211,124
Capital and reserves			
Called up share capital	13	552,721	552,721
Profit and loss account		954,594	1,009,702
Revaluation reserve		991,041	648,701
Total equity shareholders' funds		2,498,356	2,211,124

The financial statements on pages 11 to 20 were approved by the Board of Directors on 13 June 2008.

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	2007 Total	2006 Total
	£	£	£	£	£
As at 1 January	552,721	849,706	838,210	2,240,637	4,437,717
Net realised gains on investments during the year	–	48,370	(48,370)	–	–
Cancellation of own shares	–	–	–	–	(1,750,283)
Movement in unrealised appreciation	–	–	373,131	373,131	(135,243)
Revenue return attributable to shareholders	–	(86,851)	–	(86,851)	(311,554)
As at 31 December	552,721	811,225	1,162,971	2,526,917	2,240,637

Consolidated Cash Flow Statement

	Note	Year Ended 31 December 2007	Year Ended 31 December 2006
		£	£
Net cash outflow from operating activities	15	(125,170)	(562,581)
Capital expenditure and financial investments			
Purchase of investments	8	–	(14,815)
Disposals of investments		430,008	1,592,162
Net cash inflow from investing activities		304,838	1,577,347
Corporate taxation paid		(950)	(16,001)
Equity dividends paid		–	–
Net cash inflow before financing		303,888	998,765
Financing			
Redemption of shares		–	(1,750,283)
Increase/(decrease) in cash		303,888	(751,518)

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 has been accounted for using the merger accounting principles set out in Financial Reporting Standard 6.

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.

2. Investment income

	Year Ended 31 December 2007	Year Ended 31 December 2006
	£	£
Loan stock interest	6,250	7,461
Loan stock redemption premium	–	2,203
Dividend income	492	492
Deposit interest	44,229	59,763
Total	50,971	69,919

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

3. Operating loss is stated after charging:

	Year Ended 31 December 2007	Year Ended 31 December 2006
	£	£
Directors emoluments	13,852	21,492
Auditors remuneration		
Audit fees	10,000	17,645
Other fees	–	–

4. Directors' emoluments

	Year Ended 31 December 2007	Year Ended 31 December 2006
	£	£
Non-executive Directors		
Fees	13,852	21,492
Total	13,852	21,492

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 has been 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 of 20% (2006: 19%).

	Year Ended 31 December 2007	Year Ended 31 December 2006
	£	£
<u>Current taxation</u>		
UK corporation tax	(950)	13,811
Total current taxation	(950)	13,811
<u>Deferred tax</u>		
Origination and reversal of timing differences	–	–
Total deferred tax	–	–
Total tax on profit on ordinary activities	(950)	13,811

Factors affecting the tax charge

	Year Ended 31 December 2007	Year Ended 31 December 2006
Loss on ordinary activities	(85,901)	(325,365)
Tax credit/(charge) on Group profit on ordinary activities at standard Isle of Man tax rate of 0% (2006: 0%)	–	–
Increase/(release) of prior year provision	950	(13,811)
Total current taxation	950	(13,811)

6. Loss per share

	Year Ended 31 December 2007	Year Ended 31 December 2006
Retained (loss) for the year	£(86,851)	£(311,554)
Weighted average number of shares in issue	11,054,019	26,015,343
(Loss) per share (pence)	(0.79)p	(1.20)p

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

6. Loss per share (*continued*)

Reconciliation of loss per share to total recognised gains and losses per share	Year Ended 31 December 2007	Year Ended 31 December 2006
	p	p
Loss per share (as above)	(0.79)	(1.20)
Unrealised gains/(losses) per share on investments revalued during year	3.38	(0.52)
Total recognised gains/(losses) arising in the year	2.59	(1.72)

7. Profits of holding company

Of the losses for the financial year, a loss of £125,293 is dealt with in the accounts of Bamboo Investments (Isle of Man) PLC.

8. Venture capital investments

	Year ended 31 December 2007	Year ended 31 December 2006
	£	£
Group		
Venture capital portfolio b/f	1,947,831	3,450,273
Accrued interest b/f	(2,309)	(40,270)
Directors' valuation b/f	1,945,522	3,410,003
Net unrealised depreciation	2,452,611	2,575,348
Historic cost b/f	4,398,133	5,985,351
Additions	–	14,815
Disposals	(1,028,117)	(1,602,033)
Historic cost c/f	3,370,016	4,398,133
Net unrealised depreciation	(1,394,282)	(2,452,611)
Directors' valuation c/f	1,975,734	1,945,522
Accrued interest c/f	1,226	2,309
Venture capital portfolio c/f	1,976,960	1,947,831
	£	£
Company		
Venture capital portfolio b/f	1,947,831	3,450,273
Accrued interest b/f	(2,309)	(40,270)
Directors' valuation b/f	1,945,522	3,410,003
Net unrealised depreciation	(495,299)	(1,112,224)
Historic cost b/f	1,450,223	2,297,779
Additions	–	14,815
Disposals	(369,130)	(862,371)
Historic cost c/f	1,081,093	1,450,223
Net unrealised appreciation	894,641	495,299
Directors' valuation c/f	1,975,734	1,945,522
Accrued interest c/f	1,226	2,309
Venture capital portfolio c/f	1,976,960	1,947,831

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

9. Investment in subsidiaries

	31 December 2007	31 December 2006
	£	£
Company		
B/f cost	5,000	5,000
Addition	–	–
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 2007	31 December 2006
	£	£
Group		
Trade debtors	640	640
Other debtors	14,359	14,359
Prepayments and accrued income	13,463	13,464
Total	28,462	28,463
	£	£
Company		
Trade debtors	640	640
Other debtors	–	–
Prepayments and accrued income	13,464	13,463
Amounts due from subsidiary undertaking	–	9,343
Total	14,104	23,446

11. Creditors: Amounts falling due within one year

	31 December 2007	31 December 2006
	£	£
Group		
Trade creditors	–	9,478
Accruals and deferred income	79,079	83,496
Total	79,079	92,974
	£	£
Company		
Trade creditors	–	9,478
Amounts due to subsidiary	19,203	–
Accruals and deferred income	79,079	83,496
Total	98,282	92,974

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

12. Creditors: Amounts falling due after more than one year

	31 December 2007	31 December 2006
	£	£
Group		
<i>Due between two and three years</i>		
Provision for incentive fee b/f	443,324	860,000
Amount paid during year	–	(411,270)
Charge to profit and loss account during year	60,631	(5,406)
Provision for incentive fee c/f	503,955	443,324
Company	£	£
<i>Due between two and three years</i>		
Provision for incentive fee b/f	443,324	860,000
Amount paid during year	–	(411,270)
Charge to profit and loss account during year	60,631	(5,406)
Provision for incentive fee c/f	503,955	443,324

13. Share capital

	Year ended 31 December 2007	
Company	Number	Nominal Value
Authorised share capital upon incorporation and at 31 December 2007	400,000,000	20,000,000
Allotted, called-up and fully paid		
At 31 December 2006	11,054,419	552,721
At 31 December 2007	11,054,419	552,721

All shares are Ordinary shares of 5 pence each.

14. Capital commitments

The Company and the Group had no financial commitments at 31 December 2007 (2006: £Nil).

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

	Year Ended 31 December 2007	Year Ended 31 December 2006
	£	£
Operating loss	(172,986)	(161,324)
Loan stock redemption premium	–	40,271
Decrease in debtors and accrued income	1,655	30,610
Increase/(decrease) in creditors	46,161	(472,138)
Net cash outflow from operating activities	(125,170)	(562,581)

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

	Year Ended 31 December 2007	Year Ended 31 December 2006
	£	£
Opening funds	800,641	1,552,159
Net changes in cash	303,888	(751,518)
Closing funds	1,104,529	800,641

Bamboo Investments (Isle of Man) PLC

Notes to the Financial Statements (*continued*)

17. Analysis of changes in net funds

	Year Ended 31 December 2007	Year Ended 31 December 2006
	£	£
Opening cash at bank	800,641	1,552,159
Net changes in cash	303,888	(751,518)
Closing cash at bank	1,104,529	800,641

18. Post balance sheet events

The sale of the Company's investment in Grosvenor Health Group Limited was completed on 30 May 2008, realising proceeds of £1.14m. This was a premium of £278,000 against the investment value as at 31 December 2007, and would have resulted in an uplift of 2.5 pence per share, there were no other 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 £80,664 (2006: £542,627) were paid by the Company to Close Ventures Limited. At the financial year end, the amount due to Close Ventures Limited was £34,987 (2006: £18,379).

Philip Scales is a Director of IOMA Fund and Investment Management Limited, which was appointed as administrator to the Company during the year. During the year, £7,858 (2006: £Nil) were paid by the Company to IOMA. At the financial year end the amount due to IOMA Fund and Investment Management Limited was £Nil (2006: £Nil).

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 11.00 a.m. on 16 July 2008 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 2007.
2. That PKF (Isle of Man) LLC be appointed as 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 C. D Pemberton 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
13 June 2008

Registered Office

IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

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.

