

**Company Registration No. 3277955 (England and Wales)**

**HATT III GENERAL PARTNER LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**



## **HATT III GENERAL PARTNER LIMITED**

### **COMPANY INFORMATION**

---

<b>Directors</b>	P D Hill-Wood	(Resigned 31 December 2008)
	H E Fitzgibbons	
	D P Gibbs	(Resigned 31 December 2008)
	D Norwood	(Resigned 31 December 2008)
	A J Aubrey	
	M Goodlad	(Appointed 1 January 2009)
<b>Secretary</b>	M Goodlad	
<b>Company number</b>	3277955	
<b>Registered office</b>	24 Cornhill London EC3V 3ND	
<b>Auditors</b>	Saffery Champness Lion House Red Lion Street London WC1R 4GB	
<b>Bankers</b>	National Westminster Bank plc Oxford High Street Branch 121 High Street Oxford OX1 4DD	

---

## **HATT III GENERAL PARTNER LIMITED**

### **CONTENTS**

---

	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 13

---

## **HATT III GENERAL PARTNER LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

---

The directors present their report and financial statements for the year ended 31 December 2008.

#### **Principal activities and review of the business**

The principal activity of the company was the liquidation of HATT III L.P., a venture capital limited partnership.

#### **Business Review**

The results for the year are shown on page 5. The company did not earn Priority Profit Share from HATT III L.P, nor pay any management fee to Top Technology Ventures Limited, on the basis that HATT III L.P. has been terminated and has been in the process of liquidation.

The company's unrealised revaluation loss on its investment in HATT III L.P. is shown on page 6.

#### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of IP Group plc and are not separately managed. Accordingly, the principal risks and uncertainties of IP Group plc, which include those of the company, disclosed in note 2 of IP Group plc's annual report which does not form part of this report.

#### **Key performance indicators**

Given the nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

#### **Future outlook**

HATT III L.P. terminated on 31 December 2007. The fund has now been substantially liquidated with minor residual investments anticipated to be realised during 2009 with remaining funds being distributed to partners including HATT III General Partner Limited. Once this has happened the directors expect the company to become dormant.

#### **Directors**

The following directors have held office since 1 January 2008:

P D Hill-Wood	(Resigned 31 December 2008)
H E Fitzgibbons	
D P Gibbs	(Resigned 31 December 2008)
D Norwood	(Resigned 31 December 2008)
A J Aubrey	
M Goodlad	(Appointed 1 January 2009)

#### **Auditors**

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

## HATT III GENERAL PARTNER LIMITED

### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

---

#### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

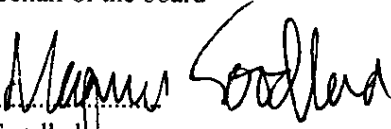
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board  
On behalf of the board

.....  
M Goodlad  
.....  
21 April 2009

## **HATT III GENERAL PARTNER LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE SHAREHOLDERS OF HATT III GENERAL PARTNER LIMITED**

---

We have audited the financial statements of HATT III General Partner Limited for the year ended 31 December 2008 set out on pages 5 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 the 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 legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**HATT III GENERAL PARTNER LIMITED**

**INDEPENDENT AUDITORS' REPORT (continued)**

**TO THE SHAREHOLDERS OF HATT III GENERAL PARTNER LIMITED**

---

**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 company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*Saffery Champness*

**Saffery Champness**

Chartered Accountants

**Registered Auditors**

*27 April 2009*

Lion House  
Red Lion Street  
London  
WC1R 4GB

**HATT III GENERAL PARTNER LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

		<b>2008</b>	<b>2007</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	-	31,903
Administrative expenses		(4,442)	(39,311)
<b>Operating loss</b>	<b>3</b>	(4,442)	(7,408)
Other interest receivable and similar income	<b>4</b>	953	258
<b>Loss on ordinary activities before taxation</b>		(3,489)	(7,150)
Tax on loss on ordinary activities	<b>5</b>	-	-
<b>Loss for the year</b>	<b>10</b>	(3,489)	(7,150)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 8 to 13 form part of these financial statements.



**HATT III GENERAL PARTNER LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2008**

---

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Loss for the financial year</b>	(3,489)	(7,150)
Unrealised deficit on revaluation of investments	(2,319)	(2,696)
<b>Total recognised gains and losses relating to the year</b>	<u>(5,808)</u>	<u>(9,846)</u>

# HATT III GENERAL PARTNER LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Investments	6		31		25,404
<b>Current assets</b>					
Debtors	7	86,234		102,157	
Cash at bank and in hand		45,866		9,555	
		<u>132,100</u>		<u>111,712</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(252,797)</u>		<u>(251,974)</u>	
<b>Net current liabilities</b>			<u>(120,697)</u>		<u>(140,262)</u>
<b>Total assets less current liabilities</b>			<u>(120,666)</u>		<u>(114,858)</u>
<b>Capital and reserves</b>					
Called up share capital	9		1,000		1,000
Revaluation reserve	10		-		12,781
Profit and loss account	10		(121,666)		(128,639)
<b>Shareholders' funds</b>	11		<u>(120,666)</u>		<u>(114,858)</u>

The notes on pages 8 to 13 form part of these financial statements.

Approved by the Board and authorised for issue on 21 April 2009

Magnus Goodlad  
M Goodlad  
Director

## **HATT III GENERAL PARTNER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

---

#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements have been prepared under the historical cost convention modified by the inclusion of certain investments on a revalued basis.

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention modified by the inclusion of certain investments on a revalued basis.

The HATT III L.P. partnership was terminated on 31 December 2007 and the General Partner no longer anticipates the partnership to operate for the foreseeable future. Accordingly, these financial statements have not been prepared on a going concern basis as the partnership will be liquidated in 2009 with the remaining funds being distributed to the partners. The company is then expected become dormant.

The company is currently in a net liability position, however, it has the confirmation of its parent company that liabilities to that company will not be collected unless the company has sufficient funds to do so.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90% or more of the voting rights are controlled within the group.

##### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

##### **1.3 Turnover**

Turnover represents Priority Profit Share received by the company from HATT III L.P. in the capacity of General Partner. Advance priority profit share (being the excess of the amount receivable under the partnership agreement and the amounts available for distribution in the accounts of the partnership) is included in turnover as, in the opinion of the directors, the advances will not become repayable to the partnership. In accordance with FRS 5 - Reporting the Substance of Transactions, the advance priority profit share debtors and creditors are netted off against each other in the company's balance sheet.

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

##### **1.4 Investments**

Fixed asset investments are valued at the company's share of net assets in these undertakings. As these investments are carried at net realisable value it was considered sufficient for them to remain within fixed assets, despite the forthcoming liquidation of the partnership.

## HATT III GENERAL PARTNER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

---

#### 1 Accounting policies (continued)

##### 1.5 Deferred taxation

Full provision is made for deferred taxation at appropriate rates on all timing differences, in accordance with Financial Reporting Standard 19.

#### 2 Turnover

The total turnover of the company for the prior year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss	2008 £	2007 £
Operating loss is stated after charging:		
Auditors' remuneration	3,466	5,787

No director received remuneration from the company in the year (2007: £nil).

4 Investment income	2008 £	2007 £
Bank interest	953	258
	953	258

**HATT III GENERAL PARTNER LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

<b>5 Taxation</b>	<b>2008</b>	<b>2007</b>
<b>Current tax charge</b>	<b>-</b>	<b>-</b>
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(3,489)	(7,150)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007 - 30.00%)	(994)	(2,145)
Effects of:		
Non-taxable income	-	(9,571)
Share of partnership taxable income	689	2,304
Expenses as general partner	(659)	(5,237)
Chargeable gains	-	346,682
Losses carried forward	964	-
Losses utilised	-	(332,033)
	994	2,145
<b>Current tax charge</b>	<b>-</b>	<b>-</b>

# HATT III GENERAL PARTNER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

### 6 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 January 2008	25,404
Revaluation	(2,319)
Disposals	(23,054)
At 31 December 2008	31
<b>Net book value</b>	
At 31 December 2008	31
At 31 December 2007	25,404

In the opinion of the directors the above investments in HATT III L.P. are worth at least the amount at which they are stated in the balance sheet.

Under the historical cost convention, fixed asset investments have a brought forward cost of £81,215. Taking into account of disposals to the value £23,054, fixed asset investments have a carry forward cost of £58,161.

7 Debtors	2008 £	2007 £
Amounts owed by HATT III L.P.	-	15,923
Other debtors	998	998
Group relief receivable	85,236	85,236
	86,234	102,157

8 Creditors: amounts falling due within one year	2008 £	2007 £
Amounts owed to immediate parent	247,974	247,974
Other creditors	4,823	4,000
	252,797	251,974

## HATT III GENERAL PARTNER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

9 Share capital	2008 £	2007 £
<b>Authorised</b>		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>

#### 10 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2008	12,781	(128,639)
Loss for the year	-	(3,489)
Transfer from revaluation reserve to profit and loss account	(10,462)	10,462
Revaluation during the year	<u>(2,319)</u>	<u>-</u>
Balance at 31 December 2008	<u>-</u>	<u>(121,666)</u>

11 Reconciliation of movements in shareholders' funds	2008 £	2007 £
Loss for the financial year	(3,489)	(7,150)
Other recognised gains and losses	<u>(2,319)</u>	<u>(2,696)</u>
Net depletion in shareholders' funds	(5,808)	(9,846)
Opening shareholders' funds	<u>(114,858)</u>	<u>(105,012)</u>
Closing shareholders' funds	<u>(120,666)</u>	<u>(114,858)</u>

#### 12 Employees

The company had no employees in the year (2007: none).

## **HATT III GENERAL PARTNER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008**

---

#### **13 Control**

As at 31 December 2008 the company's ultimate holding company was IP Group Plc., based in the United Kingdom. The results of HATT III General Partner Limited are consolidated in the group accounts of IP Group Plc. as well as Top Technology Ventures Limited. These are the only groups of undertakings which include the results of HATT III General Partner Limited in their consolidated accounts.

Copies of the financial statements of IP Group Plc., may be obtained from the following address:

24 Cornhill,  
London,  
EC3V 3ND

#### **14 Membership of qualifying British Partnerships**

Under the Partnership and Unlimited Companies (Accounts) Regulations 1993, the company is exempt from the requirement to annex the accounts of the British partnerships of which the company is a member on the basis that the results and net assets of the partnership are dealt with in Top Technology Ventures Limited's consolidated accounts.

The address of the registered office of the British Partnership of which the company is a member is set out in note 13.