

Company Registration No. 3277955 (England and Wales)

HATT III GENERAL PARTNER LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009



HATT III GENERAL PARTNER LIMITED

COMPANY INFORMATION

Directors	H E Fitzgibbons A J Aubrey M Goodlad
Secretary	M Goodlad
Company number	3277955
Registered office	24 Cornhill London EC3V 3ND
Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Bankers	National Westminster Bank plc Oxford High Street Branch 121 High Street Oxford OX1 4DD

HATT III GENERAL PARTNER LIMITED

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HATT III GENERAL PARTNER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009

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 and the directors intend the company to become dormant

Directors

The following directors have held office since 1 January 2009

H E Fitzgibbons
A J Aubrey
M Goodlad

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 2009

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to


- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

27/4/2010

HATT III GENERAL PARTNER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HATT III GENERAL PARTNER LIMITED

We have audited the financial statements of HATT III General Partner Limited for the year ended 31 December 2009 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on pages , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

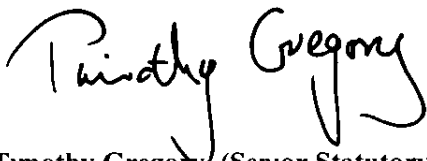
HATT III GENERAL PARTNER LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF HATT III GENERAL PARTNER LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Timothy Gregory (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

27 April 2010

**Chartered Accountants
Statutory Auditors**

Lion House
Red Lion Street
London
WC1R 4GB

HATT III GENERAL PARTNER LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Administrative expenses		(2,558)	(4,442)
Operating loss		(2,558)	(4,442)
Other interest receivable and similar income	2	56	953
Loss on ordinary activities before taxation		(2,502)	(3,489)
Tax on loss on ordinary activities	3	-	-
Loss for the year	8	(2 502)	(3,489)

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

The notes on pages 8 to 12 form part of these financial statements

HATT III GENERAL PARTNER LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	£	£
Loss for the financial year	(2,502)	(3,489)
Unrealised deficit on revaluation of investments	-	(2,319)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(2,502)	(5,808)
	<hr/> <hr/>	<hr/> <hr/>

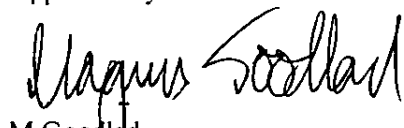
HATT III GENERAL PARTNER LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Investments	4		31		31
Current assets					
Debtors	5	86,234		86,234	
Cash at bank and in hand		41,501		45,866	
		<u>127,735</u>		<u>132,100</u>	
Creditors: amounts falling due within one year	6	<u>(250,934)</u>		<u>(252,797)</u>	
Net current liabilities			(123,199)		(120,697)
Total assets less current liabilities			<u>(123,168)</u>		<u>(120,666)</u>
Capital and reserves					
Called up share capital	7		1,000		1,000
Profit and loss account	8		(124,168)		(121,666)
Shareholders' funds	9		<u>(123,168)</u>		<u>(120,666)</u>

The notes on pages 8 to 12 form part of these financial statements

Approved by the Board and authorised for issue on 27/4/2010



M Goodlad
Director

Company Registration No. 3277955

HATT III GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 formally closed down in 2009 with the remaining funds being distributed to the partners. The company is expected become dormant in the future.

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).

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.

1.3 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 liquidation of the partnership.

1.4 Deferred taxation

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

HATT III GENERAL PARTNER LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2009**

2	Investment income	2009	2008
		£	£
	Bank interest	56	953
		<u>56</u>	<u>953</u>
		<u><u>56</u></u>	<u><u>953</u></u>
3	Taxation	2009	2008
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(2,502)</u>	<u>(3,489)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.50%)	<u>(701)</u>	<u>(994)</u>
	Effects of		
	Share of partnership taxable income	3	689
	Expenses as general partner	(1,213)	(659)
	Losses carried forward	1,911	964
		<u>701</u>	<u>994</u>
	Current tax charge	<u>-</u>	<u>-</u>

HATT III GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2009

4 Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2009 & at 31 December 2009	31
Net book value	
At 31 December 2009	31
At 31 December 2008	31

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 £58,163. Taking into account that there were no additions or disposals, fixed asset investments have a carry forward cost of £58,163.

5 Debtors	2009 £	2008 £
Other debtors	998	998
Group relief receivable	85,236	85,236
	86,234	86,234

6 Creditors: amounts falling due within one year	2009 £	2008 £
Amounts owed to immediate parent	247,974	247,974
Other creditors	2,960	4,823
	250,934	252,797

HATT III GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2009

7	Share capital	2009	2008
		£	£
	Authorised		
	1,000 Ordinary Shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	1,000 Ordinary Shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
8	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 January 2009		(121,666)
	Loss for the year		(2,502)
			<u> </u>
	Balance at 31 December 2009		(124,168)
			<u> </u>
9	Reconciliation of movements in shareholders' funds	2009	2008
		£	£
	Loss for the financial year	(2,502)	(3,489)
	Other recognised gains and losses	-	(2,319)
		<u> </u>	<u> </u>
	Net depletion in shareholders' funds	(2,502)	(5,808)
	Opening shareholders' funds	(120,666)	(114,858)
		<u> </u>	<u> </u>
	Closing shareholders' funds	(123,168)	(120,666)
		<u> </u>	<u> </u>

10 Employees

The company had no employees in the year (2008 none)

HATT III GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2009

11 Control

As at 31 December 2009 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

12 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 11.

HATT III GENERAL PARTNER LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	£	£
Administrative expenses	(2,558)	(4,442)
Operating loss	(2,558)	(4,442)
Other interest receivable and similar income		
Bank interest received	56	953
Loss before taxation	(2,502)	(3,489)

This page does not form part of the financial statements on which the auditors have reported

HATT III GENERAL PARTNER LIMITED

**SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009	2008
	£	£
Administrative expenses		
General expenses	2,558	4,442
	<hr/>	<hr/>
	<u>2,558</u>	<u>4,442</u>

This page does not form part of the financial statements on which the auditors have reported