

IP Venture Fund (GP) Limited
Report and Financial Statements
Year ended 31 December 2007



Registered number 05852196

IP Venture Fund (GP) Limited

Report and financial statements for the year ended 31 December 2007

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Directors

A Aubrey
M Goodlad
D Norwood
C Winward
G Smith

Secretary and registered office

M Goodlad

24 Cornhill
London
EC3V 3ND

Company number

05852196

Independent Auditors

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU

IP Venture Fund (GP) Limited

Report of the Directors for the year ended 31 December 2007

The directors present their report together with the audited financial statements for the year ended 31 December 2007

Business review and principal activities

IP Venture Fund (GP) Limited's ('the Company') principal activity is the management of IP Venture Fund ("IPVF"), a venture capital limited partnership. The Company has assigned the management of IPVF to its parent company, Top Technology Ventures Limited.

Revenues in the year to 31 December 2007 reflect the General Partner's Share receivable by the Company, as a first charge on net income and net capital gains, in respect of its role as general partner to IPVF. Costs in the year reflect the equivalent management fee charged to the Company by Top Technology Ventures Limited.

On 1 August 2007, additional partners were admitted to the IPVF. The resulting increase in the total commitment to the partnership has a direct impact on the General Partner's Share received by the Company. Accordingly, the General Partner's Share has increased by approximately 100%, backdated so as to also increase those amounts invoiced in 2006.

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year. The directors do not recommend the payment of a dividend.

Future outlook

The directors believe the current level of performance will be sustainable for the forthcoming year.

Principal risks and uncertainties

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

Key performance indicators ("KPIs")

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

Charitable and political contributions

During the year the Company made no charitable or political contributions.

Financial Instruments

The Company does not hold or issue financial instruments to finance its operations or enter into derivative contracts. Operations and working capital financing requirements are met by the immediate parent undertaking.

Directors

The directors of the Company during the year were

A Aubrey
M Goodlad
D Norwood
W Turner (resigned 20 February 2008)
C Winward (appointed 1 September 2007)

Greg Smith was also appointed as a director on 20 February 2008

IP Venture Fund (GP) Limited

Report of the Directors for the year ended 31 December 2007

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether 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 entity 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 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

Disclosure of information to auditors

All of the current directors have taken the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware

Auditors

BDO Stoy Hayward LLP offer themselves for re-appointment as auditors in accordance with section 485 of the Companies Act 2006 and an appropriate resolution will be put to the shareholders at the Annual General Meeting

On behalf of the board



Director
17 October 2008

Independent Auditor's Report To The Shareholder of IP Venture Fund (GP) Limited

We have audited the financial statements of IP Venture Fund (GP) Limited for the year ended 31 December 2007 on pages 5 to 9. These financial statements have been prepared under the accounting policies set out therein.

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 on page 3.

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgments 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.

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 2007 and of its result 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.



BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors
London

17 October 2008

IP Venture Fund (GP) Limited

Profit and loss account for the year ended 31 December 2007

		Year ended 31 December 2007	Period 20 June 2006 to 31 December 2006
	Note	£	£
Turnover		757,888	137,756
Administrative expenses	2	(757,888)	(137,756)
Result from ordinary activities before taxation		-	-
Taxation on result from ordinary activities	4	-	-
Result from ordinary activities after taxation	7, 8	-	-

All amounts are derived from continuing operations in the year

There are no recognised gains and losses other than those passing through the profit and loss account and therefore no separate statement of total recognised gains or losses has been presented

The result on ordinary activities before and after taxation has been computed on the historical cost basis

IP Venture Fund (GP) Limited

Balance sheet as at 31 December 2007

	Note	2007 £	2006 £
Current assets			
Trade and other receivables	5	154,495	1
Cash at bank and in hand		-	-
		<u>154,495</u>	<u>1</u>
Creditors Amounts falling due within one year	6	(154,494)	-
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Share capital	7	1	1
Profit and loss reserve	8	-	-
Shareholders' funds	9	<u>1</u>	<u>1</u>

The notes on page 7 to 9 form part of these financial statements

These financial statements were approved by the Board of directors and authorised for issue on 1st October 2008 and were signed on its behalf by



Greg Smith
Director

IP Venture Fund (GP) Limited

Notes to the financial statements for the year ended 31 December 2007

1. ACCOUNTING POLICIES

Basis of preparation

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and under the historical cost accounting rules.

Turnover

Turnover reflects the General Partner's Share received by the Company, as a first charge on partnership profits, in respect of its role as general partner to the IP Venture Fund Limited Partnership.

Related party transactions

Under FRS8 – Related Party Disclosures, the Company discloses details of material transactions between the reporting entities and related parties. However, transactions between the Company and other group companies including transactions between associate and joint venture companies have not been disclosed in accordance with the exemption in Financial Reporting Standard 8 paragraph 3(c).

Cash flow statement

The Company has taken advantage of the exemption conferred upon it by FRS 1 "Cash Flow Statements" (Revised 1996) not to prepare a cash flow statement whereby the cash flows of the Company are incorporated into those of the ultimate parent undertaking and these financial statements are publicly available.

2. AUDITORS' REMUNERATION

	Year ended 31 December 2007 £	Period 20 June 2006 to 31 December 2006 £
Audit services:		
Fees payable to Company auditor for the audit of the financial statements	575	1,250

The fee paid to BDO Stoy Hayward LLP was done so on behalf of the Company by the immediate parent undertaking, Top Technology Ventures Limited.

3. DIRECTORS AND EMPLOYEES

The directors are remunerated for their services to other group companies within the group headed by the Company's ultimate parent, IP Group plc. No amounts were received by them as directors of IP Venture Fund (GP) Limited.

Other than directors, the Company had no employees during the year.

IP Venture Fund (GP) Limited

Notes to the financial statements for the year ended 31 December 2007

4. TAXATION

	Year ended 31 December 2007 £	Period 20 June 2006 to 31 December 2006 £
Current tax	-	-

The tax assessed for the year is no different from the standard rate of corporation tax in the UK (30%)

Factors affecting the current tax charge for the year are explained below

	Year ended 31 December 2007 £	Period 20 June 2006 to 31 December 2006 £
Profit / (loss) on ordinary activities before tax	-	-
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	-	-
Effects of		
Losses carried forward to future periods	227,750	41,812
Non-taxable income	(227,750)	(41,812)
Current tax credit for the year	-	-

An analysis of the deferred tax position of the Company is provided below

	2007 £	2006 £
Unused tax losses	251,591	41,812
Other short term timing differences	(251,591)	(41,812)
	-	-

5 DEBTORS

	2007 £	2006 £
Amounts due from related parties	154,494	-
Amounts due from group undertakings	1	1
	154,495	1

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

IP Venture Fund (GP) Limited

Notes to the financial statements for the year ended 31 December 2007

6. CREDITORS; AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Amounts owed to group undertakings	154,494	-
	<u>154,494</u>	<u>-</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

7. SHARE CAPITAL

	2007 £	2006 £
Authorised 100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

8 RESERVES

	Profit and loss account £
At 1 January 2007	-
Result for the year	-
At 31 December 2007	<u>-</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	£
At 1 January 2007	1
Result for the year	-
At 31 December 2007	<u>1</u>

10. RELATED PARTY TRANSACTIONS

The IPVF L P partnership agreement provides that the Company shall act as general partner of the partnership and is entitled to General Partner's Share payments as described in note 1 above

During the year ended 31 December 2007, £757,888 was receivable from IPVF L P in the form of General Partner's Share (2006 £137,756) As at 31 December 2007, £154,494 was receivable from IPVF L P (2006 £nil)

IP Venture Fund (GP) Limited

Notes to the financial statements for the year ended 31 December 2007

11. IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Top Technology Ventures Limited and the ultimate controlling party is considered to be IP Group plc. The results of the Company are consolidated in the group accounts of both the immediate and ultimate parent company's financial statements. Copies of the immediate and ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc, 24 Cornhill, London, EC3V 3ND.