

HGP3 LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 2004



Report and accounts for the year ended 31 December 2004

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Directors

D M Bull, R P Greville.

Secretary

Henderson Secretarial Services Limited
4 Broadgate
London EC2M 2DA

Director's report

The directors present their report and accounts for the year ended 31 December 2004.

Activities

The company was incorporated on 15 November 2002 and acts as general partner in PriCap 3 LP , a limited partnership established to make investments in, and provide funding to, private equity and venture and development capital funds. No changes to the Company's activities are anticipated. The profit and loss account is set out on page 6. The directors do not recommend the payment of a dividend. The purpose of the company is to act as a general partner in limited partnerships.

Directors and their interests

The directors of the Company throughout the period are as follows;

Directors	Dates Appointed
D M Bull	11 December 2002
R P Greville	11 December 2002

The Directors' shareholding in Henderson Group PLC (formerly HHG PLC) were:

Name of Director	31 December 2004 No. of shares held	31 December 2003
D M Bull	3,078	-
R P Greville	45,324	45,324

Registered office

The Company's registered office is 50 Lothian Road Festival Square, Edinburgh EH3 9WJ.

Auditors

Ernst & Young LLP have expressed their willingness to continue in office and a resolution will be submitted at the partnership meeting to reappoint them as auditors and to authorise the General Partner to determine their remuneration.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 those accounts, 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 enable them to ensure that accounts 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.

By order of the Board



For and on behalf of Henderson Secretarial Services Limited, Secretary

(8) May 2005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HGP3 LIMITED**

We have audited the company's financial statements for the period ended 31 December 2004 which comprise the Profit and Loss Account, Company Balance Sheet, Reconciliation of Shareholders' Funds and the related notes 1 to 12. These financial statements have been prepared on the basis of 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 for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. 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' remuneration and transactions with the company 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 United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Ernst & Young LLP', is written in a cursive, flowing style.

Ernst & Young LLP
Registered Auditor
London
.../8 May 2005

PROFIT AND LOSS ACCOUNT
for the period ended 31 December 2004

	Notes	Year ended 31 December 2004 £	15 November 2002 to 31 December 2004 £
Turnover	2	1,000	2,000
Expenses		(1,000)	(2,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	-
Tax on profit on ordinary activities	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-

There are no recognised gains or losses other than those included in the profits above and, therefore, no statement of recognised gains and losses has been presented.

The notes on pages 8 to 11 form part of these accounts.

**BALANCE SHEET
at 31 December 2004**

	Notes	31 December 2004	31 December 2003
CURRENT ASSETS			
Group relief surrendered	4	900	600
DEBTORS: Amounts falling due within one year	5	3,001	2,001
CREDITORS: Amounts falling due within one year	6	(3,000)	(2,000)
NET CURRENT ASSETS		901	601
NON CURRENT LIABILITIES			
Deferred tax liability	4	(900)	(600)
NET ASSETS		1	1
CAPITAL RESERVES			
Called up share capital		1	1
EQUITY SHAREHOLDERS' FUNDS		1	1

The notes on pages 8 to 11 form part of these accounts.

The accounts on pages 6 to 11 were approved by the Board of directors on 18 May 2005 and were signed on its behalf by:-



DM Bull
Director

NOTES TO THE ACCOUNTS
at 31 December 2004

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared on the historical cost basis of accounting and in accordance with applicable UK accounting standards.

2. TURNOVER

Turnover is derived from the participation in PriCap 3 LP calculated in accordance with the partnership agreement and represents an accrual of the General Partner's priority profit share.

As per the partnership agreement drawings from the limited partner do not attract an interest charge.

If on dissolution of the Limited Partnership the distributions made to the General Partner are insufficient to repay the loan, the balance outstanding will be written off and the General Partner will have no further liability to the Limited Partnership.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

The directors of the Company have employment contracts with Henderson Administration Limited. He receives no remuneration for his services to the company.

4. TAX ON PROFIT OF ORDINARY ACTIVITIES

	31 December 2004 £	31 December 2003 £
a) Analysis of charge in period:		
Group relief surrendered	(300)	(600)
Deferred tax	300	600
Total tax for period	<u>-</u>	<u>-</u>

b) The current rate of corporation tax of 30% (2003: 30%) has been used to calculate the amount of deferred taxation. Provision has been made for all deferred taxation assets and liabilities in respect of short term timing differences, arising from transactions and events recognised in the financial statements of the current year and previous years.

Provision for deferred tax

Balance at start of period	(600)	-
Deferred tax charge for the year	<u>(300)</u>	<u>(600)</u>
Provision at end of period	<u>(900)</u>	<u>(600)</u>

Group relief surrendered

Balance at start of period	600	-
Group relief surrendered	<u>300</u>	<u>600</u>
Group relief at end of period	<u>900</u>	<u>600</u>

5. DEBTORS

	31 December 2004 £	31 December 2003 £
Accrued profit share of Limited Partnership	3,000	2,000
Amount due from the parent company	1	1
	<u>3,001</u>	<u>2,001</u>

6. CREDITORS: amounts falling due within one year.

	31 December 2004 £	31 December 2003 £
Management fee payable	3,000	2,000
	<u>3,000</u>	<u>2,000</u>

7. SHARE CAPITAL

	31 December 2004 £	31 December 2003 £
Authorised: 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £	Profit and loss Account £	Total Shareholders' Funds £
At 1 January 2004	1	-	1
Profit for the year	-	-	-
At 31 December 2004	<u>1</u>	<u>-</u>	<u>1</u>

9. PARENT UNDERTAKING

The company's immediate parent undertaking is Henderson Private Capital Limited. The parent undertaking of the smallest group for which group accounts are prepared is Henderson Group PLC (formerly HHG PLC).

In accordance with section 228 (2) of the Companies Act 1985, the company has not prepared consolidated accounts.

The ultimate parent undertaking and controlling party is Henderson Group PLC (formerly HHG PLC), a company incorporated in England. The address from which copies of the accounts of Henderson Group PLC (formerly HHG PLC) can be obtained is 4 Broadgate London EC2M 2DA.

10. CASHFLOW STATEMENT

Cashflows of the Company are included in the consolidated group cashflow statement of Henderson Group PLC (formerly HHG PLC) and consequently, the Company is exempt under the terms of Financial Reporting Standard No. 1 (Revised) from publishing a cashflow statement.

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures', relating to transactions between 90 per cent or more controlled subsidiaries.

HGP3 Limited is general partner of PriCap 3 LP.

HGP3 is considered a related party to the above entity. Any amounts received, due, paid or payable between the General Partner and the Limited Partner are disclosed in notes 6 (Debtors) and 7 (Creditors).