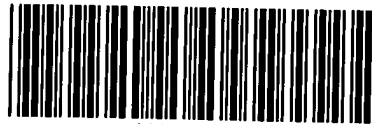


# ROUSE

ROUSE & CO. INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30 APRIL 2022  
REGISTERED NUMBER: 03198330 (England and Wales)

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**COMPANY INFORMATION for the year ended 30 April 2022**

**DIRECTORS**

S D Adams

J D Newman

R A Ross-Macdonald

**SECRETARY**

E A Hardcastle

**REGISTERED OFFICE**

4<sup>th</sup> Floor

City Tower

40 Basinghall Street

London

EC2V 5DE

**REGISTERED NUMBER**

03198330 (England and Wales)

**AUDITOR**

BDO LLP

55 Baker Street

London

W1U 7EU

## STRATEGIC REPORT for the year ended 30 April 2022

The directors present their strategic report for the year ended 30 April 2022.

### Review and Analysis of the business

The company is an intermediate holding company for the Group and the UK trading entity for an IP consultancy and advisory business. The company also has a branch in Dubai which provides IP consultancy and advisory services.

The company aims to deliver the professionalism and quality expected of a global service provider combined with the entrepreneurial flair for which Rouse has always had a reputation since its establishment in 1990. Rouse works predominantly with multinational clients from the UK, Europe, the US and Japan, who value its non-hierarchical and collaborative environment, many of whom are looking for Rouse to play a role closer to that of in-house counsel than external advisor.

On a monthly basis the turnover and contribution to group results are monitored along with those of the other group entities. The company results in these financial statements are in line with the overall expectations. The company's financial position is controlled locally and is reviewed in combination with the other group entities for group strategy planning.

### Financial performance and future developments

The company has made provisions for selected intergroup and associated company balances, and all remaining amounts are believed to be recoverable.

The company acts as the collections agent for the rest of the Group as well as providing an IP consultancy and advisory business in the UK, and through the branch in Dubai. The outward looking business is a relatively new business proposition for the group and collaborates with the China offices to develop these revenue streams.

The company achieved turnover of £3.9m (2021: £3.3m) and recorded an operating profit of £1,255,267 (2021: operating loss of £299,485) as shown in these financial statements.

Total equity has increased on prior year from £1,564,977 to £2,554,026 owing to a comparative increase in revenue from prior year as well as an increase in provisions against entities within the rest of the Group as well as associated firms.

COVID-19 has had negligible impact on trading up to 30 April 2022 due to the management of the crisis in China, South East Asia and Middle Eastern regions, strong customer relationships and the ability to work remotely. Any future uncertainty arising from COVID-19 can be found in the Report of the Directors going concern section.

We expect that the escalation of the conflict in Ukraine in February 2022 will not have a material impact on the profitability of the group. The branch in Moscow of Rouse & Co. International (UK) Limited, a subsidiary of the company, ceased providing client services at the end of May 2022 with the closure of the branch likely to take a further 12 months.

### Companies Act Section 172 Statement

The Directors of Rouse & Co International Limited, individually and as a board, believe that they have acted in good faith and that their decisions were most likely to promote the success of the Company and of the Group as a whole (having regard to the stakeholders and matters set out in S172 (1) (a-f) of the Companies Act 2006) in the decisions taken in the year ended 30 April 2022. Actions are summarised in the table below.

Section 172 interests	Actions in the period
(a) the likely consequence of any decision in the long term	<p>The long-term strategy of the Group was approved in 2019. The Board considers all decisions in the context of that strategy.</p> <p>In response to Covid-19, the Group put in place a Covid-19 task force and implemented measures intended to ensure, as far as possible, the viability of the business in view of the uncertainty arising from Covid-19. The task force was led by the CEO and COO of the Group. Measures were put in place to maintain cash reserves so that employees and suppliers could continue to be paid. The operating plan for the period was amended to take account of the possible impact of Covid-19.</p>
(b) the interests of the company's employees	<p>In response to Covid-19, the Group put in place a Covid-19 task force and implemented measures intended to ensure, as far as possible, the viability of the business in view of the uncertainty arising from Covid-19. The task force was led by the CEO and COO. One of the resulting principles, which guided our response, was that we would prioritise keeping our valuable human resources.</p>

**STRATEGIC REPORT for the year ended 30 April 2022 (continued)**  
**Companies Act Section 172 Statement (continued)**

Section 172 interests	Actions in the period
(c) the need to foster the company's business relationships with suppliers, customers and others	<p>The success of the Group relies on strong relationships with clients, suppliers, the wider intellectual property industry and with employees. The Group has a strong roster of loyal clients with a low churn rate. During the period the operations across the Group continued to be recognised as leaders in IP with numerous rankings for both operations and individuals in Chambers, Legal 500, WTR1000, IAM Patent 1000, Managing Intellectual Property, MIP IP Stars, MIP Top 250 Women in IP, China Business Law Awards and World IP Review.</p> <p>Strong relationships are maintained with suppliers, who in the case of law firms and IP agencies are often also clients, by maintaining positive cashflow enabling suppliers to be paid on time.</p> <p>The Company ensures that employees are kept up to date via regular communications including regular meetings and the Group's intranet.</p> <p>The Group continued to make significant investments in IT infrastructure during the period, further improving the ability of the business to continue to provide services to clients despite varying local Covid-19 restrictions.</p> <p>Due to increasing inflation, the company is aware of the potential challenges faced by their suppliers, customers and staff in the UK.</p>
(d) the impact of the company's operations on the community and the environment	<p>The Group undertakes pro bono work, encourages volunteer days to support local charities and supports charities both directly through donations and indirectly through supporting staff activities and fund-raising events.</p> <p>The Group's employees provide services to clients from offices. The Group is conscious of the impact of its operations on the environment. There is limited opportunity for major reductions in that impact.</p>
(e) the desirability of the company maintaining a reputation for high standards of business conduct	<p>There is a high level of awareness of the need to maintain high standards of business conduct across the Group. These are supported by a process to check new clients for sanctions, AML, ABAC and other risk as well as processes to check all new clients and matters for possible conflicts of interest. All employees are trained on the Group ABAC policy.</p>
(f) the need to act fairly between members of the company	<p>The company is wholly owned by Rouse International Limited. The Group CEO and COO engage regularly with the LLP Committee and provide quarterly updates to senior management in the business, who are all members in Intellectual Property Services Investments LLP.</p>

**Principal risks and uncertainties**

As a holding and trading company the key risks Rouse & Co. International Ltd face relate to cash, namely collection of debtors and exchange rate movements in respect of cash and debtors (both intergroup trading and non-trading).

- **COVID-19 and going concern.** Now into the second reporting period during the COVID-19 pandemic the risks and potential downturn in revenue are yet to be seen by the intellectual property industry. We carefully monitor our revenue and trade debtors to ensure we can be proactive in managing the risks
- **Intercompany debtors.** The company also faces significant translation exposure on intergroup trading and loan balances. We are seeking to pay out or net down the intergroup balances in order to reduce this exposure in the future. We also face the risk that debts may not be ultimately recoverable in the event of poor trading say by a group subsidiary, absent a loan restructuring and or capital injection
- **Brexit.** We face minimal risk from Brexit due to the nature of our business, which is focused on consultancy services in relation to international (especially emerging) markets provided to multi-national clients

On behalf of the board:

DocuSigned by:

*Rupert Ross-Macdonald*

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R A Ross-Macdonald

Director

Date: 25 January 2023

**REPORT OF THE DIRECTORS for the year ended 30 April 2022**

The directors present their report with the financial statements of the company for the year ended 30 April 2022.

Rouse & Co International Limited is a private company, limited by shares, registered in England and Wales. Registered office is 4th Floor, City Tower, 40 Basinghall Street, London, EC2V 5DE.

Intellectual Property Services Investments LLP, a limited liability partnership registered in England and Wales, was the company's ultimate parent and controlling party for the year ended 30 April 2022. On 27 July 2022 Intellectual Property Services Investments LLP sold 100% of the share capital of Rouse International Limited, the company's direct parent. As a result, from 27 July 2022, the company's ultimate parent and controlling party became Rouse International Holdings Limited.

**Branches outside of the UK**

Outside of the UK, the company has a branch operating in Dubai.

**Principal activity**

The principal activity of the company in the year under review was that of an intermediate holding company for the Group and the UK trading entity for an IP consultancy and advisory business.

**Dividends**

The total distribution of dividends declared for the year ended 30 April 2022 will be £5,532,725 (2021: £2,851,224).

**Engagement with employees and disabled employees**

Rouse strives to provide engagement and consideration for all employees in its short- and long-term goals. Rouse has encouraged participation in its decision-making through regular team calls, briefings, and surveys; notably to gauge the attitude and concerns of employees with regards to returning to the office.

Applications for employment from disabled persons are given full consideration where the candidate's particular competence are consistent with meeting the requirements of the role. Opportunities are available to all for training, career development and promotion. Where an employee becomes disabled whilst employed by Rouse, reasonable effort is made to ensure opportunity for continued employment, training, career development and promotion is provided.

**Directors**

The directors shown below have held office during the period.

R A Ross-Macdonald

S D Adams

J D Newman

**Going concern**

The directors acknowledge the uncertainty that exists economically and commercially as a result of the Covid-19 pandemic and the conflict in Ukraine.

The directors have assessed the uncertainty arising from Covid-19 and the conflict in Ukraine and consider the main risk to the Group is around cash flow and the ability to meet its debts and liabilities as they fall due. Rouse has implemented a new long-term forecasting model including a sensitivity analysis which improves upon the former 18-month cash flow forecast. Sensitivity analysis has been conducted upon the revenue and cash collections over this five-year period under several scenarios. As a result, there would have to be a more than 25% drop in revenue during this five year period for Rouse's cash position to turn negative in year four and thereafter turn positive.

This situation is deemed unlikely. Rouse's focus has been upon long term client relationships and focusing upon clients during these uncertain times, whereby IP is still a necessary expense for large corporations. Rouse maintains a large, diversified client base whereby the execution focus is the markets of China, South East Asia and the Middle East, all of which are managing the crisis relatively well.

The directors have a reasonable expectation that company has adequate financial resources to meet its operational needs for the foreseeable future and therefore the going concern basis has been adopted in preparing the financial statements.

**Disclosure in the strategic report**

In accordance with Section 414c of the Companies Act 2006, the development and performance of the business; principal risks and uncertainties; an analysis of the position of the business; and future developments have all been disclosed separately in the Strategic Report on page 3.

**REPORT OF THE DIRECTORS for the year ended 30 April 2022 (continued)**  
**Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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 that the financial statements comply with UK adopted international accounting standards;
- 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 as to disclosure of information to auditors**  
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board:

.....  
DocuSigned by:

*Rupert Ross-Macdonald*

R A Ross-Macdonald  
Director

Date: 25 January 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROUSE & CO INTERNATIONAL LIMITED****Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 April 2022 and of the Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Rouse & Co International Limited (the 'Company') for the year ended 30 April 2022 which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Report of the directors and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROUSE & CO INTERNATIONAL LIMITED (continued)

### Other Companies Act 2006 reporting (continued)

We have nothing to report in respect of the following matters in relation to which 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.

### Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, the Companies Act 2006 and relevant tax compliance regulations.
- We considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with may be fundamental to the Company's ability to operate. These include Money Laundering Regulations 2007 and Proceeds of Crime Act and the Data Protection Act.
- We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the Company meetings, legal reports provided and correspondence where appropriate.
- Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.
- We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROUSE & CO INTERNATIONAL LIMITED (continued)**

**Use of our report**

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 auditor's 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.

DocuSigned by:

*Ben Courts*

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Benjamin Courts (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

Date: 30 January 2023

.....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 April 2022


		2022 £	2021 £
	Notes		
Revenue	3	3,886,830	3,308,581
Operating expenses		<u>(2,631,563)</u>	<u>(3,608,066)</u>
<b>OPERATING PROFIT/LOSS</b>		1,255,267	(299,485)
Finance costs	5	(1,436)	(3,069)
Finance income	5	<u>5,532,875</u>	<u>2,855,782</u>
<b>PROFIT BEFORE TAXATION</b>	6	6,786,706	2,553,228
Taxation	8	<u>(272,311)</u>	<u>34,572</u>
<b>PROFIT FOR THE YEAR</b>		6,514,395	2,587,800
<b>OTHER COMPREHENSIVE INCOME</b>			
Currency translation difference		7,379	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAXATION</b>		7,379	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>6,521,774</u></u>	<u><u>2,587,800</u></u>

The notes form part of these financial statements

## STATEMENT OF FINANCIAL POSITION as at 30 April 2022

	Notes	2022 £	2021 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Right of use asset	18	63,673	56,722
Investments in subsidiaries	11	956,557	956,557
Deferred tax assets	9	-	59,400
		<u>1,020,230</u>	<u>1,072,679</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	13	4,757,254	5,153,061
Contract asset	13	24,415	33,898
Income tax receivable		-	117,918
Cash and cash equivalents	14	<u>2,268,596</u>	<u>6,386,033</u>
		<u>7,050,265</u>	<u>11,690,910</u>
<b>TOTAL ASSETS</b>		<u><u>8,070,495</u></u>	<u><u>12,763,589</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	15	58,923	58,923
Share premium		1,031,834	1,031,834
Retained earnings		<u>1,463,269</u>	<u>474,220</u>
<b>TOTAL EQUITY</b>		<u><u>2,554,026</u></u>	<u><u>1,564,977</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	5,236,382	11,132,255
Contract liabilities		18,850	19,587
Lease liabilities	18	49,531	46,770
Income tax payable		<u>211,706</u>	-
		<u>5,516,469</u>	<u>11,198,612</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	18	-	-
		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u><u>5,516,469</u></u>	<u><u>11,198,612</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>8,070,495</u></u>	<u><u>12,763,589</u></u>

The financial statements were approved by the Board of Directors on 23 January 2023 and were signed on its behalf by:

DocuSigned by:  
  
 99B4EA0F7640458...  
 R A Ross-Macdonald  
 Director

The notes form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 April 2022

	Called up share capital	Retained earnings	Share premium	Total equity
	£	£	£	£
<b>Balance at 1 May 2020</b>	58,923	737,644	1,031,834	1,828,401
<b>Changes in equity</b>				
Dividends (note 10)	-	(2,851,224)	-	(2,851,224)
Total comprehensive income	-	2,587,800	-	2,587,800
<b>Balance at 30 April 2021</b>	<u>58,923</u>	<u>474,220</u>	<u>1,031,834</u>	<u>1,564,977</u>
<b>Changes in equity</b>				
Dividends (note 10)	-	(5,532,725)	-	(5,532,725)
Total comprehensive income	-	6,521,774	-	6,521,774
<b>Balance at 30 April 2022</b>	<u>58,923</u>	<u>1,463,269</u>	<u>1,031,834</u>	<u>2,554,026</u>

The notes form part of these financial statements

## STATEMENT OF CASH FLOW as at 30 April 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit before taxation		6,786,706	2,553,228
Adjustments for:			
Finance costs		1,436	3,069
Finance income		(5,532,875)	(2,855,782)
Amortisation of right of use asset		159,100	172,325
Cash from operations before working capital changes:			
Decrease in trade and other receivables		2,663,233	2,197,286
(Decrease)/increase in trade and other payables		(2,691,416)	1,649,635
<b>Cash generated from operations</b>			
Income taxes received		116,713	46,652
<b>Net cash flows from operating activities</b>		<u>1,502,897</u>	<u>3,766,413</u>
<b>Investing activities</b>			
Deferred consideration paid on acquisition of subsidiary		-	(212,500)
Interest received		150	4,558
<b>Net cash from investing activities</b>		<u>150</u>	<u>(207,942)</u>
<b>Financing activities</b>			
Equity dividends paid		(5,532,725)	-
Payments of principal on lease liabilities		(93,012)	(93,289)
Interest paid on lease liabilities		(1,436)	(3,069)
<b>Net cash from financing activities</b>		<u>(5,627,173)</u>	<u>(96,358)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(4,124,126)</u>	<u>3,462,113</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>6,386,033</u>	<u>2,923,536</u>
<b>Exchange gain on cash and cash equivalents</b>		<u>6,689</u>	<u>384</u>
<b>Cash and cash equivalents at end of year</b>	<b>14</b>	<u><u>2,268,596</u></u>	<u><u>6,386,033</u></u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOW as at 30 April 2022 (continued)****Changes in liabilities arising from financing activities including changes arising from cash flows and non-cash charges**

	<b>Non- Current lease liabilities £</b>	<b>Current lease liabilities £</b>	<b>Total £</b>
At 1 May 2020	53,524	104,595	158,119
<b>Cash flows</b>			
Repayment of principal on lease liabilities	-	(93,289)	(93,289)
Interest paid on lease liabilities	-	(3,069)	(3,069)
<b>Non-cash flows</b>			
Loans and borrowings classified as non-current at 30 April 2021	(53,524)	53,524	-
Modifications	-	(3,876)	(3,876)
Interest accrued in period	-	3,069	3,069
Exchange difference	-	(14,184)	(14,184)
<b>At 30 April 2021</b>	<b>-</b>	<b>46,770</b>	<b>46,770</b>
<b>Cash flows</b>			
Repayment of principal on lease liabilities	-	(93,012)	(93,012)
Interest paid on lease liabilities	-	(1,436)	(1,436)
<b>Non-cash flows</b>			
Modifications	-	91,192	91,192
Interest accrued in period	-	1,436	1,436
Exchange Differences	-	4,581	4,581
<b>At 30 April 2022</b>	<b>-</b>	<b>49,531</b>	<b>49,531</b>

The notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022

### 1. Accounting policies

#### 1.1 Basis of preparation

These financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements contain information about Rouse & Co International Limited as an individual company and do not contain consolidated financial information as the parent company of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare the consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated statements of its ultimate parent, for the year ended 30 April 2022, Intellectual Property Services Investments LLP, 4th Floor, City Tower, 40 Basinghall Street, London, England, EC2V 5DE.

On 27 July 2022, Intellectual Property Services Investments LLP completed a transaction under which it ceased to be the ultimate parent entity of Rouse & Co International Limited. Since 27 July 2022, the ultimate parent of the company has been Rouse International Holdings Limited, a company registered in England.

#### 1.2 Going concern

The Leadership Team acknowledges the uncertainty that exists economically and commercially as a result of the Covid-19 pandemic and the conflict in Ukraine.

Management have assessed the uncertainty arising from Covid-19 and the conflict in Ukraine and considers the main risk to the Group is around cash flow and the ability to meet its debts and liabilities as they fall due. Rouse has implemented a new long-term forecasting model including a sensitivity analysis which improves upon the former 18-month cash flow forecast. Sensitivity analysis has been conducted upon the revenue and cash collections over this five-year period under several scenarios. As a result, there would have to be a more than 25% drop in revenue during this five year period for Rouse's cash position to turn negative in year four and thereafter turn positive.

This situation is deemed unlikely. Rouse's focus has been upon long term client relationships and focusing upon clients during these uncertain times, whereby IP is still a necessary expense for large corporations. Rouse maintains a large, diversified client base whereby the execution focus is the markets of China, South East Asia and the Middle East, all of which are managing the crisis relatively well.

The Leadership Team has a reasonable expectation that Rouse & Co International Limited has adequate financial resources to meet its operational needs for the foreseeable future and therefore the going concern basis has been adopted in preparing the financial statements.

We expect that the escalation of the conflict in Ukraine in February 2022 will not have a material impact on the profitability of the group. The branch in Moscow of Rouse & Co. International (UK) Limited, a subsidiary of the company, ceased providing client services at the end of May 2022 with the closure of the branch likely to take a further 12 to 18 months.

#### 1.3 Changes in accounting policies

##### New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early.

The following amendments are effective for the period beginning 1 May 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

continued...



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

### 1. Accounting policies (continued)

#### 1.3 Changes in accounting policies (continued)

##### New standards, interpretations and amendments not yet effective (continued)

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

Rouse is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

#### 1.4 Revenue recognition

Where the outcome of a transaction can be estimated reliably, revenue associated with the transaction is recognized in the P&L by reference to the stage of completion at the end of each accounting period, provided that a right to consideration has been obtained through performance. Consideration accrued as contract activity progresses by reference to the value of work performed. As Rouse continuously bills clients for services performed, at the end of each month (accounting period) Rouse accounts for revenue earned but not yet billed, arising due to a time gap between service delivery and billing.

Work is priced and billed either on a fixed fee basis or charge-by-the-hour (billable) basis. All prices, commercial arrangements and payment terms are agreed upfront with each client and are underpinned by Rouse's Terms of Business creating enforceable rights and obligations. Rouse will also bill each client any disbursements costs which include payments made or incurred by Rouse on client's behalf.

Under fixed fee arrangements, these are priced using existing service list and can be adjusted to each clients' needs. This is most commonly used in Trademarks and Patents service lines where a client is paying for a defined service and each service is billed in full in accordance with the agreed price as work is performed.

Revenue under fixed fee revenue stream represents the fair value of IP services provided as Rouse fulfils its obligation to the client. Once the value-add work by Rouse fee earner has been done, the revenue is deemed to be earned.

Under billable hours arrangements, these are priced using hourly rate cards for each country of operation with rates varying by fee earners' level of expertise. This is most commonly used in Legal service line where Rouse may work on various dispute resolution matters which will be time based. Work is subsequently billed to each client monthly as time/costs are incurred, unless otherwise agreed with a client.

Revenue under billable hours revenue stream represents the fair value of IP services provided, including the stage completion of ongoing services. Stage of completion is measured by reference of labour hours incurred to date less any amounts not considered recoverable. Unbilled revenue is included in trade and other receivables as 'amounts recoverable on contract'. Amounts billed on account in excess of the amounts recognised as revenue are included in 'Trade and other payables'.

Costs incurred to fulfil contracts represent out of pocket expenses incurred in respect of assignments and expected to be recovered from clients. A provision is established based upon an analysis of post year end billing patterns to determine whether the Group shall be able to collect all costs incurred to fulfil contracts.

A contract asset is recognised if the Group recorded revenue for fulfilment of a contractual performance obligation before the customer has been billed. A contract liability is recognised when the customer has paid consideration or where a receivable from the customer is due before the Group fulfilled a contractual performance obligation and thus recognised revenue.

Payment terms are 30 days unless agreed otherwise with the client.

continued...

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

### 1. Accounting policies (continued)

#### 1.5 Investments

Subsidiaries are all entities over which the company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible when assessing whether the company controls another entity.

Consolidated financial statements have not been prepared for the company and its subsidiaries as the company is a wholly owned subsidiary of another entity at the end of the financial year and the parent of the company produces consolidated financial statements available for public use that comply with International Financial Reporting Standards.

In the company's statements of financial position, the investments in subsidiaries are stated at cost less provision for impairment losses. Dividends from subsidiaries are recognised in the statement of profit or loss as finance income when the company's right to receive payments is established.

#### 1.6 Impairment of investments in subsidiaries and non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amounts by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each financial year end.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in then financial statements of the investee's net assets including goodwill.

#### 1.7 Taxation

The tax expense for the year comprises current tax and deferred tax.

The current income tax charge is calculated on the basis of the laws enacted at the end of the reporting period in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax is recognised in respect of all material timing differences (including fair value adjustments) that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods on which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is measured on a non-discounted basis.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all evidence, it can be regarded as more likely than not there will be suitable taxable profits from which future reversal of the underlying timing difference can be deducted.

#### 1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the start of the month in which they are incurred. All differences are taken to the statement of profit or loss.

Fixed asset investments denominated in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions except when financed by borrowings denominated in foreign currencies when both the investments and the borrowings are re-translated at the rates of exchange ruling at the end of the period.

continued...

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

### 1. Accounting policies (continued)

#### 1.9 Employee benefit costs

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the statement of profit or loss in the period to which they relate.

#### 1.10 Amounts recoverable on contracts

Amounts recoverable on contracts is determined on the actual time cost incurred and is written down to recoverable amount.

#### 1.11 Receivables

Receivables, including trade and other receivables and amount due from group companies, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is an objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of profit or loss. Under IFRS 9, the expected credit loss (ECL) model has been utilised and further details can be found within note 13.

#### 1.12 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less.

#### 1.13 Payables

Payables, including trade and other payables and amount due to group companies, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. They are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability at least 12 months after the end of reporting period.

#### 1.14 Leases

Leases, consisting solely of property leases, are accounted for by recognising a right-of-use asset and a lease liability. A weighted average lessee incremental rate of 3.10% has been applied to lease liabilities recognised in the statement of financial position at the date of initial acquisition.

The practical expedients applied are:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing and impairment review – there were no onerous contracts as at 1 May 2020;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- based on class of underlying asset, as lessee elected to combine each separate lease component and any associated non-lease components to account for them as a single lease component; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The right-of-use-asset has initially been measured at the amount of the lease liability, increased for lease payments made at or before commencement of the lease. Right-of-use assets are subsequently amortised on a straight line basis over the remaining term of the lease, or over the remaining economic life of the asset if this is judged to be shorter than the lease term. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate applied utilising the BOE base rate plus a percentage based upon the Rouse's potential borrowing rate.

continued...

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

### 1. Accounting policies (continued)

#### 1.14 Leases (continued)

Right-of-use assets are reviewed regularly to ensure that the useful economic life of the asset is still appropriate based on the usage of the asset. Where the asset has reduced in value the Group considers the situation on an asset-by-asset basis and either treats the reduction as an acceleration of depreciation or as an impairment under IAS 36 'Impairment of Assets'. An acceleration of depreciation occurs in those cases where there is no opportunity or intention to utilise the asset before the end of the lease. An impairment is recognised in those few cases where the current value-in-use of the asset is significantly less than the carrying amount, but there is both an intention and the sufficient timescale to enable to estimates used in assessing the impairment to change.

When there is a lease modification, the carrying amount of the lease liability is adjusted to reflect the payments to make over the revised term, which are discounted using a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use-asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use-asset is adjusted to zero, any further reduction is recognised in profit or loss.

Where Rouse acts as a lessor by sub-letting specific leases, each such lease is classed either as a finance lease, if the sub-let transfers substantially all the risks and rewards of the underlying asset to the lessee, or an operating lease, if not. Rouse endeavours to ensure that any sub-lease covers the full remaining term of the lease.

The UK branch of the company also sub-leases from its parent Rouse International Limited.

#### 1.15 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2. Significant accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Revenue from contracts with customers

Management have considered the criteria for the recognition of revenue from the supply of services set out in IFRS 15 Revenue from Contracts with Customers. In particular, the timings of the obligations to the client and the associated billing behaviour.

In calculating revenue from service contracts, the Group and company make certain estimates as to the stage of completion of those contracts. In doing so the Group and company estimate the remaining time and external costs to be incurred in completing contracts and the clients' willingness and ability to pay for the service provided. These estimates depend upon the outcome of future events and may need to be revised as circumstances change. The performance obligations are determined at the point that the company has no further control. Trade mark and patent performance obligations are determined to be a point in time being at the filing of the application.

Certain service contracts, notably those in Commercial and Dispute Resolution, require a greater degree of estimation than others, specifically those contracts that:

- are long-term, spanning a number of accounting periods, thereby extending the period over which estimation is required;
- have fee arrangements other than a simple time and materials basis, requiring an estimation as to percentage completion over time.

Impairment loss for amounts recoverable on contracts is made based on the estimated net realisable value of amounts recoverable on contracts. The assessment of the impairment amount involves judgment and estimates. Where the actual outcome in the future is different from the original estimate, such difference will impact the carrying value of amounts recoverable on contracts and impairment loss charge/write-back in the period in which such estimate has been changed.

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## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

## 2. Significant accounting estimates and judgements (continued)

## Impairment loss under IFRS 9

The company applies the IFRS 9 simplified approach to measuring expected losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected loss rates are based on the Group's historical credit losses and are then adjusted for current and forward-looking information that is available to the Group.

## 3. Revenue

## Revenue from contracts with customers

## Disaggregation of revenue

The company has disaggregated revenue into various categories in the following tables which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flow are affected by economic date.

	2022	2021
	£	£
<b>Geographical markets</b>		
United Kingdom	418,845	250,109
Europe	135,688	183,805
Rest of the World	286,412	309,796
<b>Total revenue from contracts with customers</b>	<b>840,945</b>	<b>743,710</b>
<b>Revenue</b>		
External customer	840,945	743,710
Intragroup	3,045,885	2,564,871
	3,886,830	3,308,581
Intergroup adjustments	(3,045,885)	(2,564,871)
<b>Total revenue from contracts with customers</b>	<b>840,945</b>	<b>743,710</b>

## Contract balances

Contract asset balances outstanding are set out within note 13. Contract liability balances outstanding are as follows:

	2022	2021
	£	£
At 1 May	19,587	63,895
Amounts included in contract liabilities that were recognised as revenue	(26,132)	(82,122)
Cash received in advance of performance and not recognised as revenue	25,395	37,814
At 30 April	<b>18,850</b>	<b>19,587</b>

## 4. Employees and directors

	2022	2021
	£	£
Wages & salaries	2,023,800	2,358,906
Social security costs	85,031	79,590
Pension costs	83,956	57,397
	<b>2,192,787</b>	<b>2,495,893</b>
<b>2022</b>	<b>2021</b>	
Fee earners & administration	23	19
Directors	3	3
	<b>26</b>	<b>22</b>

continued...

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

## 4. Employees and directors (continued)

	2022	2021
	£	£
Short-term employee benefits	314,895	311,161
Post-employment benefits	4,000	4,000
Directors' remuneration	<u>318,895</u>	<u>315,161</u>

The key management personnel of the Company comprise of its Directors.

## 5. Net finance income

	2022	2021
	£	£
Finance income:		
Dividends received from group undertakings	5,532,725	2,851,224
Interest received	150	4,558
	<u>5,532,875</u>	<u>2,855,782</u>
Finance costs:		
Lease liability Interest	1,436	3,069
	<u>1,436</u>	<u>3,069</u>

## 6. Profit before taxation

The profit before taxation is stated after charging:

	2022	2021
	£	£
Gain arising on foreign exchange	(663,772)	(99,527)
Provision for impairment of intergroup balances	142,996	(59,352)
Provision for impairment of other related parties	(248,752)	238,902
Provision for impairment of receivables from third-party contracts	<u>(8,827)</u>	<u>8,868</u>

## 7. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the company's auditors for the audit of the company	<u>15,000</u>	<u>15,000</u>

## 8. Taxation

## Analysis of tax credit

	2022	2021
	£	£
Current tax:		
Tax	212,911	
Under provision in prior period	-	24,828
Deferred tax movements (see note 9)	<u>59,400</u>	<u>(59,400)</u>
Total tax credit in statement of profit or loss and other comprehensive income	<u>272,311</u>	<u>(34,572)</u>

continued...

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

## 8. Taxation (continued)

## Factors affecting the tax expense

	2022	2021
	£	£
Profit before taxation	6,786,706	2,553,228
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,289,474	485,113
Effects of:		
Expenses not deductible for tax purposes	27,810	(11,016)
Income not taxable for tax purposes	(1,051,218)	(541,733)
Adjustments to tax charge in respect of previous periods	-	24,828
Surrendered group losses	-	43,959
Utilisation of group relief	(7,238)	-
Utilisation of taxable losses		(34,519)
Short term timing differences	13,424	(1,261)
Overprovision in respect of current period	59	57
Tax credit	272,311	(34,572)

## 9. Deferred Tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19% (2021: 19%).

Deferred tax assets are recognised to the extent that it is probable that future taxable profits are expected to be generated and where the directors believe it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown below:

	2022	2021
	£	£
Balance of deferred tax assets at beginning of year	(59,400)	-
Taxable losses	59,400	(59,400)
Balance of deferred tax assets at the end of the year	-	(59,400)

Details of the deferred tax asset, amounts recognised in profit or loss and amounts recognised in other comprehensive income are as follows:

	2022	2021
	£	£
Taxable losses	(59,400)	59,400
Taxable losses carried forward	-	312,926

## 10. Dividends

	2022	2021
	£	£
Interim	5,532,725	2,851,224

During the year ending 30 April 2022, an interim dividend of £9.38972255 (2021: £4.83888179) per Ordinary share was declared, equal to a total payment of £5,532,725 (2021: £2,851,224).

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## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

## 11. Investments in subsidiaries

	2022	2021
	£	£
At beginning and end of period	956,557	956,557

The company's investments in the share capital of companies are stated at cost, less any provision for impairment, and as follows:

**Rouse & Co International (UK) Limited**

Registered office: 4th Floor, City Tower, 40 Basinghall Street, London, England, EC2V 5DE

Nature of business: Consultancy services

	%
Class of shares:	holding
Ordinary	100.00

Country of incorporation: England and Wales

**Rouse & Co. International (Overseas) Limited**

Registered office: Room 26<sup>th</sup> Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

Nature of business: Consultancy services

	%
Class of shares:	holding
Ordinary	100.00

Country of incorporation: Hong Kong

**PT Rouse Consulting International**

Registered office: Wisma Pondok Indah 2, 7<sup>th</sup> Floor, Jl. Sultan Iskandar Muda, Kav V-TA, Pondok Indah, Jakarta

Nature of business: Consultancy services

	%
Class of shares:	holding
Ordinary	93.45

Country of incorporation: Indonesia

6.55% of this company is owned by Rouse & Co International (UK) Limited. The remaining balance is owned by Rouse & Co International Limited.

**Rouse AB**

Registered office: Vasagatan Waterfront Building, Klarabergsviadukten 63, Stockholm, Sweden

Nature of business: Consultancy services

	%
Class of shares:	holding
Ordinary	100.00

Country of incorporation: Sweden

continued...



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

### 12. Financial instruments

The principal financial instruments used by the Company from which financial instrument risk arise are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Investments in unquoted shares
- Trade and other payables
- Bank overdrafts

The following tables set out details of the Company's financial assets and liabilities:

	2022	2021
	Amortised cost	Amortised cost
	£	£
<b>Assets</b>		
Investments in subsidiaries	956,557	956,557
Trade and other receivables	4,722,800	5,148,574
Cash and cash equivalents	2,268,596	6,386,033
<b>Liabilities</b>		
Trade and other payables	5,150,142	11,091,475
Lease liabilities	49,531	46,770

The following methods and assumptions were used to estimate the fair values both for the Group and the Company:

- The fair value of cash and cash equivalents, trade and other receivables and trade and other payables approximates to their carrying amounts due to the short-term maturities of these instruments

### Financial instruments

In assessing the company assets, liabilities, financial position and profit or loss, the directors' have taken the following into consideration.

### Financial risk management

The company is exposed through its operations to various risks. The main types of risks are capital risk, credit risk, foreign exchange risk and liquidity risk.

The company's risk management is coordinated by management who monitors and manages these risks through internal risk assessment which analyses exposures by degree and magnitude of risks. This is to minimise potential adverse effects on the company's financial performance.

Further details regarding the financial risk policies are summarised below.

### Capital risk

The company's objective when maintaining capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to its parent entity and ultimately for its members and the benefits of its other stakeholders.

### Credit risk

The company's credit risk is primarily attributable to trade debtors, payments in advance, deposit, other debtors, amounts due from affiliates and cash at banks.

The company has no significant concentration of credit risk. In respect of trade debtors, the company is not exposed to any significant credit risk from exposure to any single counterparty as trade receivables consist of a large and growing group of counterparties in various industries and geographical areas, which reduces any potential risk concentrations.

continued...

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

### 12. Financial instruments (continued)

#### Credit risk (continued)

All sales made to customers have short credit terms. The company has policies in place to ensure that sales are made to customers with an appropriate credit history. These credit evaluations focus on the customers' history of making payments when due and current ability to pay and takes into account information specific to the customer. The ongoing credit risk is managed by maintaining close contact with clients and through a regular review of aging analysis where the company will make specific provisions for those balances which cannot be recovered. Normally, the company does not obtain collateral from customers. Further details regarding the credit risk associated with the trade receivables can be found in note 13.

The company determines any debtor which is over 90 days to be at risk of defaulting. Although a client may technically default on the agreed payment terms, the company has built long-standing relationships with most of our customer base which allows us to understand the true payment patterns and therefore make accurate assessments of which clients are truly defaulting. In the opinion of the directors, the default risk of the company is considered to be low.

Write-offs are generally only considered if the debt is older than 365 days unless direct communications with the client indicate otherwise. The write-offs must be agreed with the client manager before it is actioned.

The company has no significant credit risk on other receivables because the company has policies in place for the control and monitoring of its credit risk. In respect of amount due from affiliate companies, the directors are of the opinion that the credit risk is low because most of these companies have high credit quality and no past default history in respect of the amounts due.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the end of reporting period.

Credit risk also arising from cash and cash equivalents deposited within banks is limited because the company's primary bank, Coutts & Co, whose group holding company, NatWest Group Plc, has a Moody's long-term credit rating of Baa1.

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	2022	2021
	£	£
United States dollars	2,133,824	5,610,679
Great British pounds	120,860	700,648
Euros	786	61,122
United Arab Emirates dirhams	13,126	13,584
	<u>2,268,596</u>	<u>6,386,033</u>

There is no material difference between the book value of cash and cash equivalents and their fair values

#### Foreign exchange risk

The company is exposed to foreign currency exchange rate risk arising from various foreign currency exposures, primarily with respect to historical intercompany balances which are planned to be consolidated during the next financial year.

#### Liquidity risk

The company manages liquidity risk by regularly monitoring forecast and actual cash flows to ensure that it maintains sufficient cash and bank deposits to meet liquidity requirements in the short and longer term. The leadership team receives cash flow projections on a monthly basis as well as information regarding cash balances, taking account of proposed dividends and investment requirements. Accordingly, the directors are of the opinion that the company does not have significant liquidity risk.

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)****12. Financial instruments (continued)**

The following table analyses the company's financial liabilities into relevant maturity groupings based on their undiscounted contractual cashflows as at 30 April 2022:

	Within 1 year £	Between 2-5 years £	Over 5 years £	Total contractual cash flows £
Trade and other payables	5,150,142	-	-	5,150,142
Lease liability	49,531	-	-	49,531
	<b>5,199,673</b>	<b>-</b>	<b>-</b>	<b>5,199,673</b>

The following table analyses the company's financial liabilities into relevant maturity groupings based on their undiscounted contractual cashflows as at 30 April 2021:

	Within 1 year £	Between 2-5 years £	Over 5 years £	Total contractual cash flows £
Trade and other payables	11,091,475	-	-	11,091,475
Lease liability	46,770	-	-	46,770
	<b>11,138,245</b>	<b>-</b>	<b>-</b>	<b>11,138,245</b>

**Cash flow risk**

Other than bank balances which carry interest at effective interest rate, the company has no other significant interest-bearing assets and liabilities. Due to the insignificance of bank interest income, the company's income, expenses and operating cash flows are substantially independent of changes in market interest rates. The directors are of the opinion that the company does not have significant cash flow and fair value interest rate risk and no sensitivity analysis is performed.

The company is not exposed to any significant fair value interest rate risk.

**Market risk**

As with many industries there is a technological element brought to the risk of the IP industry. IP market predominantly consists of two types of work: consulting and litigation which are high value/low volume and trade mark and patents which are more administrative in nature and therefore high volume/low value.

The administrative work causes the company to consider its market risk more cautiously as improvements in technology will continue to drive down the price of competitors and therefore what the market can offer. This in turn drives down margins for the market and the market as a whole moves further towards cost leadership.

There are many initiatives which the company has undertaken to mitigate this risk including investment into new IP technologies and a new consultancy service.

**13. Trade and other receivables**

	2022 £	2021 £
Trade receivables	872,788	1,043,389
Less: provision for impairment of trade receivables	(569,842)	(827,422)
Net trade receivables	302,946	215,967
Amounts owed by group undertakings	4,364,783	4,890,572
Other receivables	30,656	8,137
Prepayments	58,869	38,385
	<b>4,757,254</b>	<b>5,153,061</b>

Trade receivables are stated after an allowance for expected credit losses of £1,648 (2021: £10,476)

continued...

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

## 13. Trade and other receivables (continued)

## Contract Assets

	2022	2021
	£	£
Contract assets	25,512	34,708
Less: provision for impairment of contract assets	(1,097)	(810)
Net contract assets	<u>24,415</u>	<u>33,898</u>

Trade receivables and contract assets are shown net of an impairment allowance, movements in which are as follows:

	2022	2021
	£	£
At beginning of period	828,232	599,613
New and additional provisions	<u>(257,293)</u>	<u>228,619</u>
At end of period	<u>570,939</u>	<u>828,232</u>

Rouse applies the IFRS 9 simplified approach to measuring expected losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected loss rates are based on the Group's historical credit losses and are then adjusted for current and forward-looking information that is available to the Group

At 30 April 2022 the lifetime expected loss provision for trade receivables and contract assets is as follows:

	Gross carrying amount	Loss provision	Expected loss rate
	£	£	
Current	118,843	(1,810)	2%
More than 30 days	90,667	(617)	1%
More than 60 days	82,720	-	0%
More than 90 days	-	-	0%
More than 120 days	-	-	0%
More than 150 days	4,631	(317)	-7%
More than 180 days	<u>590,911</u>	<u>(568,195)</u>	-96%
Total	<u>887,772</u>	<u>(570,939)</u>	

At 30 April 2021 the lifetime expected loss provision for trade receivables is as follows:

	Gross carrying amount	Loss provision	Expected loss rate
	£	£	
Current	146,099	(810)	1%
More than 30 days	66,826	(21)	0%
More than 60 days	14,529	-	0%
More than 90 days	5,700	(1,252)	22%
More than 120 days	-	-	0%
More than 150 days	-	-	0%
More than 180 days	<u>844,943</u>	<u>(826,149)</u>	98%
Total	<u>1,078,097</u>	<u>(828,232)</u>	

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

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**NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)****14. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	£	£
Bank accounts	<u>2,268,596</u>	<u>6,386,033</u>

**15. Called up share capital**

## Allotted and issued:

			<b>2022</b>	<b>2021</b>
Number:	Class:	Nominal value:	£	£
589,232	Ordinary	£0.10	<u>58,923</u>	<u>58,923</u>

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments to any other distribution, including a distribution arising from winding up of the company.

**16. Reserves**

The following describes the nature and purpose of each reserve within equity:

- Retained earnings: cumulative profit and loss net of distributions to owners
- Share premium: consideration received for shares issued above their normal value net of transaction costs

**17. Trade and other payables**

	<b>2022</b>	<b>2021</b>
	£	£
Trade payables	326,853	136,999
Amounts owed to group undertakings	4,390,341	9,887,582
Social security and other taxes	30,387	34,693
Dilapidation provision	11,896	10,475
Other payables	26,363	182,532
Lease payable	55,853	6,088
Accruals	394,689	873,886
	<u>5,236,382</u>	<u>11,132,255</u>

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

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## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2021 (continued)

## 18. Leases

	Land & buildings £
<b>RIGHT-OF-USE ASSETS</b>	
<b>Net carrying value - 1 May 2020</b>	
Cost	429,894
Additions	9,716
<b>Cost – 30 April 2021</b>	415,141
Additions	160,778
Exchange differences	31,851
<b>Cost - 30 April 2022</b>	607,770
<b>Accumulated Depreciation - 1 May 2020</b>	195,995
Charge for period	172,325
Exchange differences	(9,901)
<b>Accumulated Depreciation - 30 April 2021</b>	358,419
Charge for period	159,100
Exchange differences	26,578
<b>Accumulated Depreciation - 30 April 2022</b>	544,097
<b>Net carrying value - 30 April 2021</b>	56,722
<b>Net carrying value - 30 April 2022</b>	63,673
<b>LEASE LIABILITIES</b>	
<b>Net carrying value - 1 May 2020</b>	158,119
Additions	(3,876)
Interest	3,069
Payments	(96,358)
Exchange differences	(14,184)
<b>Net carrying value – 30 April 2021</b>	46,770
Effect of modification to lease terms	91,192
Interest	1,436
Payments	(94,447)
Exchange differences	4,580
<b>Net carrying value - 30 April 2022</b>	49,531
<b>Current</b>	46,770
<b>Non-current</b>	-
<b>Total lease liabilities – 30 April 2021</b>	46,770
<b>Current</b>	49,531
<b>Non-current</b>	-
<b>Total lease liabilities – 30 April 2022</b>	49,531

There is an ongoing informal sub-lease arrangement between Rouse & Co. International Limited (lessee) and Rouse International Limited (lessor). This is based on the split of headcount between the two entities for a shared office space and is charged and settled on a monthly basis.

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## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2022 (continued)

### 19. Related party disclosures

The company has taken the exemption not to disclose related party transactions entered into between two or more members of the same group. The total amount owed by group undertakings for the year ended 30 April 2022 was £4,364,783 (2021: £4,890,572) with £2,034,165 (2021: £1,891,169) provided for. The total amount owed to group undertakings for the year ended 30 April 2022 was £4,390,341 (2021: £9,887,582).

At the year end the following amounts were owed by (to) related parties and related party provisions against those amounts are as follows:

		2022	2022	2021	2021
		Owed by (to)	Provision	Owed by (to)	Provision
		£	£	£	£
Rouse IP Limited	Director in common	533,343	(523,195)	785,045	(774,897)
Rouse Legal	Directors were partners in related party	4,067	(4,067)	4,040	(4,040)

The net gain recognised during the period in respect of doubtful debts due from related parties is £251,675 (2021: Net expense £239,034). Adjustments to provisions are made when new information comes to light in relation to the recoverability and where foreign exchange effects the amounts due. The provision amount is determined by providing against the lower of the net liabilities of the debtor or for the debtor balance.

### 20. Ultimate controlling party

During the year, Intellectual Property Services Investments LLP, a limited liability partnership registered in England and Wales, was the company's ultimate parent and controlling parent. The company's immediate parent company is Rouse International Limited, registered in England and Wales.

The largest group in which results of the company are consolidated is that headed by Intellectual Property Services Investments LLP. The smallest group in which results of the company are consolidated is that headed by Rouse International Limited. Copies of the consolidated financial statements of Intellectual Property Services Investments LLP and Rouse International Limited can be obtained from 4th Floor, City Tower, 40 Basinghall Street, London, EX2V 5DE.

On 27 July 2022, Intellectual Property Services Investments LLP completed a transaction under which it ceased to be the ultimate parent entity and controlling party. Since 27 July 2022, the company's ultimate parent and controlling party has been Rouse International Holdings Limited, a company registered in England. The company's immediate parent remains Rouse International Limited. Consi

### 21. Events after the reporting period

The escalation of the conflict in Ukraine in February 2022 is expected to have an immaterial impact on the profitability of the Rouse group. The branch in Moscow of Rouse & Co. International (UK) Limited, a subsidiary of the Rouse group, ceased providing client services at the end of May 2022 with the closure of the branch likely to take a further 12 months. The Rouse group had minimal exposure to clients based in Russia or otherwise linked to businesses or individuals targeted by sanctions.

In July 2022, Intellectual Property Services Investments LLP sold 100% of its shareholding in Rouse International Limited to Island Bidco Limited (subsequently renamed Rouse International Holdings III Limited).