

Registration number 04021839

Novagraaf IP UK Limited

Annual report and unaudited financial statements

for the year ended 31 December 2015

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Novagraaf IP UK Limited

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Novagraaf IP UK Limited

Company information

Directors	Tom Farrand Peter Wilson
Company secretary	Sarosh Daruwala
Registered office	27/28 Eastcastle Street London W1W 8DH
Bankers	HSBC 31 Holborn London EC1N 2HR

Novagraaf IP UK Limited

Directors' report

For the year ended 31 December 2015

The directors present their annual report on the affairs of the company, together with the unaudited financial statements, for the year ended 31 December 2015

The directors took advantage of the small companies exemption in not preparing a strategic report or an enhanced business review

Principal activity

The principal activity of the company during the year was that of a holding company for its trademark and patent business in the UK

Fair review of the business

Turnover was £nil (2014 £nil) in the year and the company made a loss of £5,964 (2014 £2,333)

Going concern

The directors consider the company to be a going concern and have prepared the accounts on this basis. See note 2 to the financial statements for further information

Directors

The directors, who served throughout the year except as noted, were as follows

Tom Farrand

Eric Siecker (appointed 4 September 2015 and resigned 4 March 2016)

Helen Whelbourn (resigned 4 September 2015)

The following director was appointed after the year end

Peter Wilson (appointed 1 May 2016)

Dividends

During the year no dividends were paid by the company (2014 £nil). The directors do not recommend payment of a dividend

Auditor

For the year ending 31 December 2015 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Novagraaf IP UK Limited

Directors' report (continued)
For the year ended 31 December 2015

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006

Approved by the Board on **25/10/16** and signed on its behalf by

A handwritten signature in black ink, appearing to read 'T. Fariand', written in a cursive style.

Tom Fariand
Director

Novagraaf IP UK Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards has 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 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.

Novagraaf IP UK Limited

**Profit and loss account
For the year ended 31 December 2015**

	Note	2015 £	2014 £
Administrative expenses		<u>(231)</u>	<u>(2,333)</u>
Operating loss		<u>(231)</u>	<u>(2,333)</u>
Loss on ordinary activities before taxation	4	(231)	(2,333)
Tax on loss on ordinary activities	5	<u>(5,733)</u>	<u>-</u>
Loss for the financial year		<u><u>(5,964)</u></u>	<u><u>(2,333)</u></u>

The above results were derived from continuing operations

The company has no other comprehensive income for the year other than the results above and therefore no statement of comprehensive income is presented

Novagraaf IP UK Limited

Balance sheet

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	6	2,943,502	2,943,502
Current assets			
Debtors amounts falling due within one year	7	635,327	635,327
Cash at bank and in hand		<u>4,629</u>	<u>4,860</u>
		639,956	640,187
Creditors: amounts falling due within one year	8	<u>(2,123,039)</u>	<u>(2,117,306)</u>
Net current liabilities		<u>(1,483,083)</u>	<u>(1,477,119)</u>
Net assets		<u>1,460,419</u>	<u>1,466,383</u>
Capital and reserves			
Called-up share capital	9	1,357,529	1,357,529
Profit and loss account	9	<u>102,890</u>	<u>108,854</u>
Shareholder's funds		<u>1,460,419</u>	<u>1,466,383</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

For the financial year ending 31 December 2015 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements of Novagraaf IP UK Limited (registration number 04021839) were approved by the Board of directors and authorised for issue on 28/10/16

They were signed on its behalf by



Tom Farrand
Director

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

Novagraaf IP UK Limited

**Statement of changes in equity
For the year ended 31 December 2015**

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2014	1 357,529	111 187	1,468,716
Loss for the year	-	(2 333)	(2,333)
At 31 December 2014	<u>1,357,529</u>	<u>108,854</u>	<u>1,466,383</u>

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2015	1 357,529	108,854	1,466,383
Loss for the year	-	(5,964)	(5,964)
At 31 December 2015	<u>1,357,529</u>	<u>102,890</u>	<u>1,460,419</u>

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

Novagraaf IP UK Limited

Notes to the financial statements For the year ended 31 December 2015

1 General information

The company is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom

The address of its registered office is
27/28 Eastcastle Street
London
W1W 8DH

The nature of the company's operations and its principal activities are set out in the Directors' report on page 2

2 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of accounting

These financial statements have been prepared under the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

In the transition to FRS 102 from UK GAAP, the company has made no measurement and recognition adjustment. For more information see note 12.

Novagraaf IP UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The functional currency of Novagraaf IP UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Going concern

For the year ended 31 December 2015, the company made a loss of £5,964 (2014: £2,333) and had net current liabilities of £1,483,083 (2014: £1,477,119). The company is dependent for its working capital on funds provided to it by Novagraaf Nederland B.V. ("Novagraaf BV"). Novagraaf BV has committed that it will provide financial and other support to the company for at least 12 months from the date of these financial statements. On this basis, and on the assessment of the company's financial position, the company's directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Novagraaf IP UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

2 Accounting policies (continued)

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Novagraaf IP UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2015 £	2014 £
Tax advisory services	-	2,000

5 Tax on loss on ordinary activities

The tax charge comprises

	2015 £	2014 £
Current taxation		
UK corporation tax	3,156	-
UK corporation tax adjustment to prior periods	2,577	-
Total current tax	5,733	-
Total deferred tax	-	-
Total tax on profit on ordinary activities	5,733	-

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2014: higher than the standard rate of corporation tax in the UK) of 20.25% (2014: 21.50%).

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2015 £	2014 £
Loss on ordinary activities before tax	(231)	(2,333)
Tax on loss on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.50%)	(47)	(502)
Effects of:		
Group relief / other reliefs	-	502
Transfer pricing adjustments	3,203	-
Adjustment from previous periods	2,577	-
Tax charge for the year	5,733	-

Novagraaf IP UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

5 Tax on loss on ordinary activities (continued)

Finance (No 2) Act 2015 enacted reductions in the UK corporation tax rate to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020

6 Fixed asset investments

	2015 £	2014 £
Investments in subsidiaries	<u>2,943,502</u>	<u>2,943,502</u>
		£
Cost		
At 1 January 2015 and 31 December 2015		<u>2,943,502</u>
Net book value		
At 31 December 2014 and 31 December 2015		<u>2,943,502</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Subsidiary undertakings	Country of incorporation	Principal activity	Holding	%
William A Shepherd & Son Limited	United Kingdom	Trademark agent	Ordinary	100%
JE Evans-Jackson & Co Limited	United Kingdom	Trademark agent	Ordinary	100%
QED Intellectual Property Limited	United Kingdom	Intellectual property management and consultancy	Ordinary	100%

7 Debtors: amounts falling due within one year

	2015 £	2014 £
Amounts owed by group undertakings	<u>635,327</u>	<u>635,327</u>
Amounts owed by group undertakings are interest free, unsecured and repayable on demand		

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	2,115,306	2,115,806
Accruals and deferred income	2,000	1,500
Corporation tax	<u>5,733</u>	<u>-</u>
	<u>2,123,039</u>	<u>2,117,306</u>

Novagraaf IP UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

8 Creditors, amounts falling due within one year (continued)

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

9 Called-up share capital and reserves

Authorised, allotted, called-up and fully paid shares

	No	2015 £	No	2014 £
Ordinary shares of £1 each	<u>1,357,529</u>	<u>1,357,529</u>	<u>1,357,529</u>	<u>1,357,529</u>

The company has one class of ordinary shares which carry no right to fixed income

The company's other reserves are as follows

Profit and loss

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments

10 Contingent liabilities

The group bank indebtedness is secured by a charge over the company's assets

11 Parent and ultimate parent undertaking

The ultimate holding company is Novagraaf Nederland B V , a company incorporated in The Netherlands

The largest and smallest group in which the results of the company are consolidated is that headed by Novagraaf Nederland B V The consolidated financial statements of this group are available to the public and may be obtained from Hooogoorddreef 5, 1101 BA, Amsterdam, Netherlands

12 Transition to FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014 As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard, however, no transition adjustments were required