

Company No: 04021839 (England and Wales)



NOVAGRAAF IP UK LIMITED

**Annual Report and Unaudited Financial Statements
For the financial year ended 31 December 2020**



NOVAGRAAF IP UK LIMITED

Annual Report and Unaudited Financial Statements

For the financial year ended 31 December 2020

Contents

Company Information	2
Director's Report	3
Director's Responsibilities Statement	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

NOVAGRAAF IP UK LIMITED

COMPANY INFORMATION

For the financial year ended 31 December 2020

DIRECTOR

M J Elsenga

REGISTERED OFFICE

27/28 Eastcastle Street
London
W1W 8DH
United Kingdom

COMPANY NUMBER

04021839 (England and Wales)

BANKERS

HSBC
31 Holborn
London
EC1N 2HR
United Kingdom

NOVAGRAAF IP UK LIMITED
DIRECTOR'S REPORT
For the financial year ended 31 December 2020

The director presents this Annual Report on the affairs of the Company, together with the financial statements, for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity is that of a holding company for its trademark and patent business in the UK.

GOING CONCERN

The director has prepared the financial statements on the going concern basis. Further details are provided in the notes to the financial statements.

DIRECTOR

The directors, who served during the financial year and to the date of this report except as noted, were as follows:

M J Elsenga	(Appointed 20 January 2020)
E J Siecker	(Resigned 20 January 2020)

DIRECTOR'S INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its director which were made during the financial year and remain in force at the date of this report.

This Director's Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:

M J Elsenga
Director
27/28 Eastcastle Street
London
W1W 8DH
United Kingdom
Date:

April 4, 2022

NOVAGRAAF IP UK LIMITED
DIRECTOR'S RESPONSIBILITIES STATEMENT
For the financial year ended 31 December 2020

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless the director is 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 financial period.

In preparing these financial statements, the director is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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. The director is 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 financial year ended 31 December 2020

	2020	2019
	£	£
Administrative expenses	-	(230)
Operating loss	-	(230)
Other non-operating loss	(778,343)	-
Loss before taxation	(778,343)	(230)
Tax on loss	-	-
Loss for the financial year	(778,343)	(230)

NOVAGRAAF IP UK LIMITED

BALANCE SHEET

As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	3	2,165,159	2,943,502
		<u>2,165,159</u>	<u>2,943,502</u>
Current assets			
Debtors	4	2,634	2,634
Cash at bank and in hand		4,399	4,399
		<u>7,033</u>	<u>7,033</u>
Creditors			
Amounts falling due within one year	5	(1,493,509)	(1,493,509)
Net current liabilities		<u>(1,486,476)</u>	<u>(1,486,476)</u>
Total assets less current liabilities		<u>678,683</u>	<u>1,457,026</u>
Net assets		<u>678,683</u>	<u>1,457,026</u>
Capital and reserves			
Called-up share capital		1,357,529	1,357,529
Profit and loss account		(678,846)	99,497
Total shareholder's funds		<u>678,683</u>	<u>1,457,026</u>

For the financial year ending 31 December 2020 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The director acknowledges their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of Novagraaf IP UK Limited (registered number: 04021839) were approved and authorised for issue by the director on April 4, 2022. They were signed on its behalf by:


M J Elsenga
Director

NOVAGRAAF IP UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year.

General information and basis of accounting

Novagraaf IP UK Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 27/28 Eastcastle Street, London, W1W 8DH, United Kingdom.

The financial statements have been prepared under the historical cost convention, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

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

The rapid spreading of COVID-19 has continued to be a significant emerging risk to the global economy. The director does not consider there to be a material impact on the business.

For the year ended 31 December 2020, the Company made a loss of £778,343 (2019: £230) and had net current liabilities of £1,486,476 (2019: £1,457,026). The Company is dependent on funds provided by Novagraaf Nederland BV ("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 director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The financial statements contain information about Novagraaf IP UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent company. Details of how to obtain copies of the consolidated financial statements can be found in the notes to the financial statements.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

NOVAGRAAF IP UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2020

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax assets and liabilities are not discounted.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

NOVAGRAAF IP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2020

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 the Profit and Loss Account, 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 financing 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 offset in the Balance Sheet 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.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for relief from the recognition of share premium, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Equity Instruments

Equity Instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

2. Employees

	2020 Number	2019 Number
Monthly average number of persons employed by the Company during the year, including the director	1	1

NOVAGRAAF IP UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the financial year ended 31 December 2020

3. Fixed asset investments

Investments in subsidiaries

	2020
	£
Cost	
At 01 January 2020	2,943,502
At 31 December 2020	2,943,502
Provisions for impairment	
At 01 January 2020	
Impairment	778,343
At 31 December 2020	778,343
Carrying value at 31 December 2020	2,165,159
Carrying value at 31 December 2019	2,943,502

Investments in shares

Name of entity	Registered office	Nature of business	Class of shares	Ownership 31.12.2020	Ownership 31.12.2019
NovumIP Ltd (reg. number 03365223)	27/28 Eastcastle Street, London, United Kingdom, W1W 8DH	Trademark agent	Ordinary	100.00%	100.00%
JE Evans-Jackson & Co Limited (reg. number 02484420)	27/28 Eastcastle Street, London, United Kingdom, W1W 8DH	Trademark agent	Ordinary	100.00%	100.00%
QED Intellectual Property Limited (reg. number 00403229)	27/28 Eastcastle Street, London, United Kingdom, W1W 8DH	Intellectual property management and consultancy	Ordinary	100.00%	100.00%

4. Debtors

	2020	2019
	£	£
Amounts owed by Group undertakings	2,634	2,634

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

NOVAGRAAF IP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 31 December 2020

5. Creditors: amounts falling due within one year

	2020	2019
	£	£
Amounts owed to Group undertakings	1,491,509	1,491,509
Accruals	2,000	2,000
	1,493,509	1,493,509

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

6. Contingencies

Contingent liabilities

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

7. Related party transactions

The Company has taken advantage of the exemption granted within Section 33 of FRS 102, which does not require disclosure of transactions between a subsidiary undertaking and other Group undertakings, as 100% of the Company's voting rights are controlled within the Group.

The directors received emoluments in the year of £nil (2019: £nil), there are no other key management personnel.

8. Ultimate controlling party

The immediate parent undertaking is Novagraaf Group B.V., incorporated in The Netherlands.

The ultimate parent undertaking is The Paragon Fund II GmbH & Co. KG, incorporated in Germany being the parent to the largest and smallest group in which the results of the Company are consolidated in. The consolidated financial statements of this group are available to the public and may be obtained from Leopoldstrasse 10 80802 Munchen, Germany.