

**NEWGROUP IP UK LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31ST DECEMBER 2001**

Company Registration Number 4021839



**HIGGINS FAIRBAIRN & CO.**  
Chartered Accountants & Registered Auditors  
71 Duke Street  
Mayfair  
London W1K 5NY

# **NEWGROUP IP UK LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2001**

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# **NEWGROUP IP UK LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

<b>Director</b>	Vredezicht's -Gravenhage 80 B.V.
<b>Company secretary</b>	Norose Company Secretarial Services Limited
<b>Registered office</b>	Kempson House Camomile Street London EC3A 7AN
<b>Auditors</b>	Higgins Fairbairn & Co. Chartered Accountants & Registered Auditors 71 Duke Street Mayfair London W1K 5NY

# **NEWGROUP IP UK LIMITED**

## **THE DIRECTOR'S REPORT**

### **YEAR ENDED 31ST DECEMBER 2001**

The director presents its report and the financial statements of the company for the year ended 31st December 2001.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of a holding company for its trade mark and patent businesses in the UK.

#### **THE DIRECTOR AND ITS INTERESTS IN SHARES OF THE COMPANY**

The director who served the company during the year together with its beneficial interests in the shares of the company was as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At 31 December 2001</b>	<b>At 1 January 2001</b>
Vredezicht's -Gravenhage 80 B.V.	<u>1,357,529</u>	<u>1,357,529</u>

#### **DIRECTOR'S RESPONSIBILITIES**

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. 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.

#### **AUDITORS**

A resolution to re-appoint Higgins Fairbairn & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# NEWGROUP IP UK LIMITED

## THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2001

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Kempson House  
Camomile Street  
London  
EC3A 7AN

Signed by



Vredezicht's Gravenhage 80 B.V.  
Director

Approved by the director on 13. May 2002.

## **NEWGROUP IP UK LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

#### **YEAR ENDED 31ST DECEMBER 2001**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS**

As described on page 2, the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

71 Duke Street  
Mayfair  
London W1K 5NY

*Higgins Fairbairn & Co.*  
HIGGINS FAIRBAIRN & CO.  
Chartered Accountants  
& Registered Auditors

13<sup>th</sup> May 2002

**NEWGROUP IP UK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31ST DECEMBER 2001**

	Note	Year to 31 Dec 01 £	Period from 21 Jun 00 to 31 Dec 00 £
<b>TURNOVER</b>		-	-
Administrative expenses		<u>235,646</u>	<u>116,537</u>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(235,646)</b>	<b>(116,537)</b>
Income from shares in group undertakings	<b>3</b>	<b>430,000</b>	-
Interest receivable		722	-
Interest payable		<u>(94,795)</u>	<u>(43,058)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>100,281</b>	<b>(159,595)</b>
Tax on profit/(loss) on ordinary activities	<b>4</b>	<b>30,578</b>	12,979
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>130,859</b>	<b>(146,616)</b>
Balance brought forward		<u>(146,616)</u>	-
Balance carried forward		<u><u>(15,757)</u></u>	<u><u>(146,616)</u></u>

The company has no recognised gains or losses other than the results for the year as set out above.

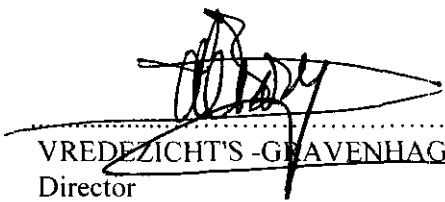
All of the activities of the company are classed as continuing.

**NEWGROUP IP UK LIMITED****BALANCE SHEET****31ST DECEMBER 2001**

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Intangible assets	5	1,409,161	1,645,254
Investments	6	978,288	978,288
		<u>2,387,449</u>	<u>2,623,542</u>
<b>CURRENT ASSETS</b>			
Debtors	7	155,484	12,979
Cash at bank		136,766	-
		<u>292,250</u>	<u>12,979</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>(406,095)</u>	<u>(210,856)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(113,845)</u>	<u>(197,877)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,273,604</u>	<u>2,425,665</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<u>(931,832)</u>	<u>(1,214,752)</u>
		<u>1,341,772</u>	<u>1,210,913</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	1,357,529	1,357,529
Profit and Loss Account		(15,757)	(146,616)
<b>SHAREHOLDERS' FUNDS</b>	12	<u>1,341,772</u>	<u>1,210,913</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on <sup>13</sup> May 2002.

  
 VREDEZICHT'S - GRAVENHAGE 80 B.V.  
 Director



**NEWGROUP IP UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2001**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Consolidation**

In the opinion of the director, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

**Goodwill**

Goodwill represents the excess of the cost of acquisition over the fair value of the separable net assets of the business acquired. Goodwill is capitalised and amortised on a straight line basis (subject to impairment tests) over its useful economic life of not more than 7 years in accordance with FRS 10 and group policy.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**Investments**

Investments are held as fixed assets and stated at cost less provision for any impairment in value.

**2. OPERATING LOSS**

Operating loss is stated after charging/(crediting):

	<b>Year to 31 Dec 01 £</b>	<b>Period from 21 Jun 00 to 31 Dec 00 £</b>
Director's emoluments	-	-
Amortisation	250,113	91,516
Auditors' fees	8,213	-
Net (profit)/loss on foreign currency translation	<u>(22,921)</u>	<u>25,021</u>

**3. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	<b>Year to 31 Dec 01 £</b>	<b>Period from 21 Jun 00 to 31 Dec 00 £</b>
Dividends Received	<u>430,000</u>	-

**NEWGROUP IP UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2001**

**4. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES**

	<b>Year to 31 Dec 01 £</b>	<b>Period from 21 Jun 00 to 31 Dec 00 £</b>
Corporation Tax credit based on the results for the year at 30% (2000 - 30%), on surrender of tax loss to subsidiary.	<b><u>30,578</u></b>	<b><u>12,979</u></b>

**5. INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
<b>COST</b>	
At 1st January 2001	<b>1,736,770</b>
Additions	<b>14,020</b>
<b>At 31st December 2001</b>	<b><u>1,750,790</u></b>
<b>AMORTISATION</b>	
At 1st January 2001	<b>91,516</b>
Charge for the year	<b>250,113</b>
<b>At 31st December 2001</b>	<b><u>341,629</u></b>
<b>NET BOOK VALUE</b>	
<b>At 31st December 2001</b>	<b><u>1,409,161</u></b>
At 31st December 2000	<b><u>1,645,254</u></b>

**6. INVESTMENTS (UNQUOTED AT COST)**

	<b>£</b>
<b>COST</b>	
At 1st January 2001 and 31st December 2001	<b><u>978,288</u></b>
<b>NET BOOK VALUE</b>	
<b>At 31st December 2001</b>	<b><u>978,288</u></b>
At 31st December 2000	<b><u>978,288</u></b>

The company acquired Novagraaf Limited (formerly known as Markgraaf Limited) and its subsidiaries on 18th August 2000. The latter's subsidiaries which are all trade mark and patent agents, are as follows:

- (1) J.E. Evans Jackson & Co Limited
- (2) William A. Shepherd & Son Limited
- (3) William Jones Limited
- (4) Novagraaf Patents Limited

All the above companies are owned 100%, located and registered in the United Kingdom.

**NEWGROUP IP UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2001**

**7. DEBTORS**

	2001	2000
	£	£
Amounts owed by group undertakings	<u>155,484</u>	<u>12,979</u>

**8. CREDITORS: Amounts falling due within one year**

	2001	2000
	£	£
Amounts owed to group undertakings	406,095	167,798
Other creditors including:		
Accruals and deferred income	-	43,058
	<u>406,095</u>	<u>210,856</u>

**9. CREDITORS: Amounts falling due after more than one year**

	2001	2000
	£	£
Amounts owed to group undertakings	<u>931,832</u>	<u>1,214,752</u>

**10. RELATED PARTY TRANSACTIONS**

Interest of £94,795 (2000 - £43,058) was charged by Vredezicht's Gravenhage 80 B.V, which is a group company

**11. SHARE CAPITAL**

**Authorised share capital:**

	2001	2000
	£	£
1,357,529 Ordinary shares of £1.00 each	<u>1,357,529</u>	<u>1,357,529</u>

**Allotted, called up and fully paid:**

	2001	2000
	£	£
Ordinary share capital brought forward	1,357,529	-
Issue of ordinary shares	-	1,357,529
	<u>1,357,529</u>	<u>1,357,529</u>

**NEWGROUP IP UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST DECEMBER 2001****12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001 £	2000 £
Profit/(Loss) for the financial year	130,859	(146,616)
New equity share capital subscribed	-	1,357,529
Purchase of own equity shares		
Net addition to funds	<u>130,859</u>	<u>1,210,913</u>
Opening shareholders' equity funds	1,210,913	-
Closing shareholders' equity funds	<u>1,341,772</u>	<u>1,210,913</u>

**13. ULTIMATE PARENT COMPANY**

The immediate holding company is Vredesicht's Gravenhage 80 B.V. which is incorporated in the Netherlands. The director regards Novagraaf Holding B.V, which is also incorporated in the Netherlands, as the ultimate holding company.

**14. CONTINGENT LIABILITIES**

	2001 £	2000 £
Guarantees of group undertakings' bank indebtedness (maximum bank facility)	<u>1,884,900</u>	<u>1,920,406</u>

The group bank indebtedness is secured by a first fixed charge and debenture on the company's assets and goodwill, together with a negative pledge from each group company.