

REGISTERED NUMBER: 08320013 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2019
for
IP2IPO Americas Limited**

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for the Year Ended 31 December 2019**

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IP2IPO Americas Limited

**Company Information
for the Year Ended 31 December 2019**

DIRECTORS:

D G Baynes
G Smith
M C N Townend
C E Glasson - appointed 26 March 2020

SECRETARY:

IP2IPO Services Limited

REGISTERED OFFICE:

The Walbrook Building
25 Walbrook
London
EC4N 8AF

REGISTERED NUMBER:

08320013 (England and Wales)

AUDITORS:

KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

IP2IPO Americas Limited (Registered number: 08320013)

**Report of the Directors
for the Year Ended 31 December 2019**

The directors present their report with the financial statements of IP2IPO Americas Limited (the "Company") for the year ended 31 December 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019 (year ended 31 December 2018: £nil).

EVENTS SINCE THE END OF THE YEAR

As per note 14, at present the Directors do not envisage the Covid-19 pandemic will result in a significant adverse impact for the Company, however given that the outcome of the Covid-19 pandemic is uncertain we acknowledge that a definitive assessment of its impact cannot be made at this time.

The directors see the main potential short term impact on the financial statements of the Company as being an increased level of uncertainty over value of its investments. At the signing date of the accounts, the directors have carried out a preliminary valuation assessment as part of the Group's half-yearly reporting process, and there is no identified material update to the fair value of the Company's portfolio subsequent to the reporting date.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

D G Baynes
G Smith
M C N Townend

Other changes in directors holding office are as follows:

A J Aubrey - resigned 21 May 2019

C E Glasson was appointed as a director after 31 December 2019 but prior to the date of this report.

POLITICAL DONATIONS AND EXPENDITURE

During the year ended 31 December 2019, the Company made no political or charitable donations (year ended 31 December 2018: £nil).

GOING CONCERN

Notwithstanding net current liabilities of £45,711,378 as at 31 December 2019, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

After reviewing the cash flow forecasts for a period of at least 12 months, the directors are satisfied that taking account of reasonably possible downsides, including the potential impact of COVID-19, the Company will have sufficient funds to meet its liabilities as they fall due for that period. For this reason, the directors consider it appropriate to adopt the going concern basis in preparing these financial statements

The directors have considered the impact of the emergence and spread of COVID-19 and potential implications on future operations. Whilst there are significant wider market uncertainties which may impact the Company, the directors do not believe this will impact the ability of the Company to continue as a going concern for at least the next 12 months.

Those forecasts are dependent on IP Group plc not seeking repayment of the amounts currently due to the group, which at 31 December 2019 amounted to £45,710,188, and providing additional financial support during that period. IP Group plc has indicated via a letter of support its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

FUTURE OUTLOOK

As the Covid-19 virus has developed over recent months, the directors have been assessing the impact on the Company to ensure that such impacts are effectively managed.

Notwithstanding the potential impact of Covid-19, the directors believes that the Company will continue to operate satisfactorily for the foreseeable future.

IP2IPO Americas Limited (Registered number: 08320013)

**Report of the Directors
for the Year Ended 31 December 2019**

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.

AUDITORS

The auditor KPMG LLP is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

Chris Glasson

Chris Glasson (Jul 1, 2020 18:58 GMT+1)

C E Glasson - Director

1 July 2020

**Directors' Responsibilities Statement
for the Year Ended 31 December 2019**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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.

**Report of the Independent Auditors to the Members of
IP2IPO Americas Limited (Registered number: 08320013)**

Opinion

We have audited the financial statements of IP2IPO Americas Ltd ("the company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of
IP2IPO Americas Limited (Registered number: 08320013)**

Auditors' 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Mark Noon

Mark Noonan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

1 July 2020

IP2IPO Americas Limited (Registered number: 08320013)

**Statement of Comprehensive Income
for the Year Ended 31 December 2019**

	Notes	2019 £	2018 £
Administrative expenses	6	<u>(613,082)</u>	<u>(3,747,822)</u>
		(613,082)	(3,747,822)
Change in fair value of investments	9	<u>(1,316,154)</u>	<u>14,380,305</u>
OPERATING (LOSS)/PROFIT		(1,929,236)	10,632,483
Exchange rate gain/(loss)	4	<u>2,405</u>	<u>280,544</u>
		(1,926,831)	10,913,027
Interest payable and similar expenses	5	<u>(4)</u>	<u>(224)</u>
(LOSS)/PROFIT BEFORE TAXATION	6	(1,926,835)	10,912,803
Tax on (loss)/profit	8	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(1,926,835)	10,912,803
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		<u>(1,926,835)</u>	<u>10,912,803</u>

The notes on pages 10 to 14 form part of these financial statements

IP2IPO Americas Limited (Registered number: 08320013)

**Balance Sheet
31 December 2019**

		2019		2018	
	Notes	£	£	As restated*	£
FIXED ASSETS					
Investments	9		55,212,133		56,528,287
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	10	76		-	
Cash at bank		<u>643</u>		<u>750</u>	
		719		750	
CREDITORS					
Amounts falling due within one year	11	<u>45,712,097</u>		<u>45,101,447</u>	
NET CURRENT LIABILITIES			<u>(45,711,378)</u>		<u>(45,100,697)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,500,755</u>		<u>11,427,590</u>
CAPITAL AND RESERVES					
Called up share capital	12		1		1
Retained earnings			<u>9,500,754</u>		<u>11,427,589</u>
SHAREHOLDERS' FUNDS			<u>9,500,755</u>		<u>11,427,590</u>

* Please refer to note 11 for details of the restatement

The financial statements were approved by the Board of Directors on 1 July 2020 and were signed on its behalf by:

Chris Glasson

Chris Glasson (Jul 1, 2020 18:58 GMT+1)

C E Glasson - Director

The notes on pages 10 to 14 form part of these financial statements

IP2IPO Americas Limited (Registered number: 08320013)

**Statement of Changes in Equity
for the Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	1	514,786	514,787
Changes in equity			
Total comprehensive income	-	10,912,803	10,912,803
Balance at 31 December 2018	1	11,427,589	11,427,590
Changes in equity			
Total comprehensive income	-	(1,926,835)	(1,926,835)
Balance at 31 December 2019	1	9,500,754	9,500,755

The notes on pages 10 to 14 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

IP2IPO Americas Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

The principal activity of IP2IPO Americas Limited (the "Company") during the year was to act as a UK based holding company providing capital to support the commercialisation of intellectual property from research institutions based in the US, typically through the formation of spin-out companies. In late 2018, investments formerly held directly on the Company's balance sheet were transferred into a new fund structure, IPG Cayman L.P., in which the Company now holds an ownership interest. These investments have been funded by the Company's immediate parent company IP2IPO Limited.

2. ACCOUNTING POLICIES

Basis of preparation

The Financial Statements of IP2IPO Americas Limited (the "Company") are for the year ended 31 December 2019. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures: a Cash Flow Statement and related notes; disclosures in respect of transactions with wholly owned subsidiaries; disclosures in respect of capital management; and disclosures of transactions with a management entity that provides key management personnel services to the Company. The Company has also applied the exemption from the requirements of IFRS 7 Financial Instruments: Disclosures, the equivalent disclosures are included in the IP Group plc consolidated financial statements.

Changes in accounting policies

(i) New standards, interpretations and amendments effective from 1 January 2019

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the Company's financial statements.

(ii) New standards, interpretations and amendments not yet effective

No new standards, interpretations and amendments not yet effective are expected to have a material effect on the Company's future financial statements.

Going concern

Notwithstanding net current liabilities of £45,711,378 as at 31 December 2019, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

After reviewing the cash flow forecasts for a period of at least 12 months, the directors are satisfied that taking account of reasonably possible downsides, including the potential impact of COVID-19, the Company will have sufficient funds to meet its liabilities as they fall due for that period. For this reason, the directors consider it appropriate to adopt the going concern basis in preparing these financial statements

The directors have considered the impact of the emergence and spread of COVID-19 and potential implications on future operations. Whilst there are significant wider market uncertainties which may impact the Company, the directors do not believe this will impact the ability of the Company to continue as a going concern for at least the next 12 months.

Those forecasts are dependent on IP Group plc not seeking repayment of the amounts currently due to the group, which at 31 December 2019 amounted to £45,710,188, and providing additional financial support during that period. IP Group plc has indicated via a letter of support its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Equity investments

Investments are carried at fair value as determined by the General Partner in its discretion. Investments are illiquid and resale is restricted. The Company's investments are stated at fair value as determined in good faith by the General Partner in accordance with FRS 101 and the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. Fair value is generally based on the valuations provided by the managers of such investments which are reviewed and approved by the IP Group plc Valuation Committee.

The valuations provided by the managers typically reflect the fair value of the Company's proportionate share of capital account balance of each investment as at 31 December 2019 or the latest available date. Accordingly, the values of the investment in the underlying investments are generally increased by additional contributions to the underlying investments and the Partnership's share of net gains from the underlying investments and decreased by distributions from the underlying investments and the Partnership's share of net losses from the underlying investments. The fair value of each investment may be adjusted at the discretion of the General Partner. The General Partner expects that, in general, valuations will be derived from Capital Account statements provided by the manager of the underlying investments. However, when available, audited financial statements will be used.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax

Full provision is made for deferred tax on all temporary differences resulting from the carrying value of an asset or liability and its tax base. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or deferred tax liability settled. Deferred tax assets are recognised to the extent that it is probable that the deferred tax asset will be recovered in the future.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and short-term deposits held with financial institutions with an original maturity of three months or less.

Debtors

Debtors are measured at transaction price, less any impairment. Debtors falling due within one year are amounts which are expected to be recovered within the next 12 months. Debtors falling due after more than one year are amounts which are not expected to be recovered within the next 12 months, however these amounts are still treated as current assets.

Creditors

Trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Creditors falling due within one year are amounts which are required to be settled within the next 12 months. Creditors falling due after more than one year are amounts which are not required to be settled within the next 12 months.

Related party transactions

In accordance with IAS 24 "Related Parties Disclosures", the Company discloses details of material transactions between the reporting entity and related parties. However, transactions between the Company and other Group companies have not been disclosed in accordance with the exemption in IAS 24 paragraph.

3. EMPLOYEES AND DIRECTORS

During the year the Company had no employees (2018: none). The directors were remunerated for their services to other group companies within the group headed by the Company's ultimate parent, IP Group plc. The directors of the Company chose to waive any remuneration during the year ended 31 December 2019, for their services to this entity.

4. EXCHANGE RATE GAINS/(LOSSES)

	2019	2018
	£	£
Exchange rate gain/(loss)	<u>2,405</u>	<u>280,544</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	<u>4</u>	<u>224</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

6. (LOSS)/PROFIT BEFORE TAXATION

The loss before taxation (2018 - profit before taxation) is stated after charging/(crediting):

	2019	2018
	£	£
Intercompany purchases	500,188	3,734,590
Legal fees	106,265	9,957
Other administrative expenses	<u>6,629</u>	<u>3,275</u>

7. AUDITORS' REMUNERATION

	2019	2018
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>4,000</u>	<u>2,490</u>

The above fee was paid by IP2IPO Limited on behalf of the Company.

8. TAXATION

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Factors affecting the tax expense

The tax assessed for the year is higher (2018 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
(Loss)/profit before income tax	<u>(1,926,835)</u>	<u>10,912,803</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(366,099)	2,073,433
Effects of:		
Expenses not deductible for tax purposes	280,081	(2,664,856)
Deferred tax not recognised	<u>86,018</u>	<u>591,423</u>
Tax expense	<u>-</u>	<u>-</u>

There is a potential deferred tax asset at 31 December 2019 of £1,896,757 (2018: £1,820,386), relating to carried forward losses of £11,157,392 (2018: £10,699,861) and capital losses of £nil (2018: £8,294).

This asset has not been recognised in the financial statements due to current uncertainties surrounding the reversal of the underlying timing differences. The deferred tax asset would be recovered if there were future taxable profits from which the reversal of the underlying timing differences could be deducted.

Factors which may affect future tax charges

In the March 2020 budget the government announced that the UK corporation tax rate would remain at 19% from 1 April 2020 rather than reducing to 17% as implemented in Finance Act 2016. This change was substantively enacted in March 2020.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

9. INVESTMENTS

	Equity investments in subsidiary £	Limited participation interests £	Totals £
Cost or valuation			
At 1 January 2019	2,863,722	53,664,565	56,528,287
Change in fair value during the year	-	(1,316,154)	(1,316,154)
At 31 December 2019	<u>2,863,722</u>	<u>52,348,411</u>	<u>55,212,133</u>
Net book value			
At 31 December 2019	<u>2,863,722</u>	<u>52,348,411</u>	<u>55,212,133</u>
At 31 December 2018	<u>2,863,722</u>	<u>53,664,565</u>	<u>56,528,287</u>

Equity investments in subsidiary relate to IP Group Inc. and limited participation interests relate to IPG Cayman LP. There are no further commitments related to the limited participation interests in IPG Cayman LP.

Significant equity investments

At 31 December 2019, the Company has investments where it holds 20% or more of the issued share capital in the following companies:

Name of undertaking	Registered address	Proportion of nominal value held %
IP Group Inc.	1 Righter Parkway, Suite 260, Wilmington, DE 19803, USA	100.0%
IPG Cayman LP	C/O IP Group Inc, 1 Righter Parkway, Suite 260, Wilmington, DE 19803, USA	74.2%

The significant influence noted above has been determined in line with IAS 28 and Schedule 4 of The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

10. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Amounts owed by group undertakings	<u>76</u>	<u>-</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 As restated £
Trade creditors	-	995
Amounts owed to group undertakings	45,712,097	45,097,962
Accruals and deferred income	-	2,490
	<u>45,712,097</u>	<u>45,101,447</u>

In the current period it was identified that an amount owed to a group undertaking, which was classified, in the prior period, as a non-current liability was repayable on demand and therefore should have been classified as a current liability. As such this amount of £45,097,962 has been reclassified from non-current liabilities to current liabilities in the balance sheet. This has no effect on the net asset position or the loss for the year.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019 £	2018 £
Number:	Class:			
1	Ordinary	£1	<u>1</u>	<u>1</u>

13. RELATED PARTY DISCLOSURES

As the Company is a wholly owned subsidiary of IP Group plc, the Company has taken advantage of the exemption contained in IAS24 and has therefore not disclosed transactions or balances with entities which form part of the IP Group plc group.

14. EVENTS AFTER THE REPORTING PERIOD

At present, the Directors do not envisage the Covid-19 pandemic will result in a significant adverse impact for the Company, however given that the outcome of the Covid-19 pandemic is uncertain we acknowledge that a definitive assessment of its financial impact cannot be made at this time.

The directors see the main potential short term impact on the financial statements of the Company as being an increased level of uncertainty over value of its investments. At the signing date of the accounts, the directors have carried out a preliminary valuation assessment as part of the Group's half-yearly reporting process, and there is no identified material update to the fair value of the Company's portfolio subsequent to the reporting date.

15. IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is IP2IPO Limited and the ultimate controlling party is considered to be IP Group plc. The immediate and ultimate parent companies were incorporated in the United Kingdom. The results of the Company are consolidated in the group accounts of the ultimate parent company's financial statements. Copies of the ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.