

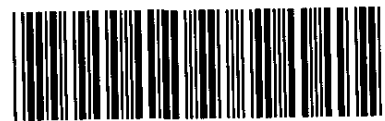
**FIBERCORE LIMITED**

**UNAUDITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2019**

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## FIBERCORE LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	C Emslie J Habel C O'Connor
<b>Registered number</b>	02795233
<b>Registered office</b>	Fibercore House, University Parkway Chilworth Southampton SO16 7QQ

FIBERCORE LIMITED

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FIBERCORE LIMITED

STRATEGIC REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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**Introduction**

The directors present the strategic report of the company for the year ended 31 December 2019

## FIBERCORE LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### Business review

Fibercore Limited ("the company") undertakes the design, manufacture and sale of special purpose optical fibres. The company has a broad customer base but has a strong focus on the fibre-optic gyroscope and fibre-amplifier markets.

The profit for the financial period amounted to \$7,549,000 (2018: \$3,116,000). The growth in our customer base has been very pleasing. There is still a strong balance sheet position with cash of \$4,754,000 available (2018: \$5,343,000).

The company has a strong net asset position at 31 December of \$52,576,000 (2018: \$45,027,000).

#### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

Risks are formally reviewed by the board and key management and appropriate processes are put in place to monitor and mitigate them. This process is conducted as part of the company's quality management process and includes all key stakeholders. The identified risks are assigned a rating and an owner to ensure that they are monitored and where possible are reduced. If more than one event occurs it is possible that the overall effect of such events would compound the possible adverse effects on the company.

**Competition risk** – The company competes on quality over price of product. If quality improves in the market as a whole then downwards pressure is placed upon the margins of the company, furthermore its customers would have alternative source options open for consideration. The company carries out extensive research and development to ensure the highest quality of product is available to the customer base to ensure that the expectation of the customer are met or exceeded.

**Financial risk** – As described in on the Directors Report on page 2 of the annual report there are a number of financial risk factors which are managed by the directors. For full details please see page 2.

**BREXIT risk** – The directors have considered the impact of the United Kingdom leaving the European Union on the business. The company trades internationally but its main markets are not in Europe so this will limit the impact due to BREXIT. The key issue relates to supply chain management but this can be managed by appropriate adjustments to inventory policies.

The directors have considered the outbreak of COVID-19 in early 2020 and what impact it will have on the ongoing operations of the business.

Whilst the initial impact on trading has been limited, there are risks that the Company faces as a result of the outbreak and the ongoing restrictions in movement currently being seen in the UK and worldwide.

The directors have reviewed the Company's current stock holdings, working environment and future trading ability, and as a result anticipate that the business will be able to continue trading despite the difficulties posed as a result of COVID-19.

FIBERCORE LIMITED

STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2019

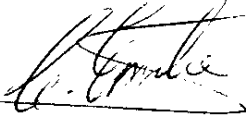
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**Key performance indicators**

The directors of the Company manage its operations on a product basis. For this reason, the Company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Fibercore Limited.

This report was approved by the board and signed on its behalf.

C Emslie  
Director



Date 19 November 2020

FIBERCORE LIMITED

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the period ended 31 December 2019

**Directors**

The directors who served during the period were:

C Emslie  
J Habel  
C O'Connor

**Results and dividends**

The profit for the period, after taxation, amounted to \$7,549,000 (2018: \$3,116,000)

The directors do not recommend the payment of a dividend (2018: \$nil)

**Future outlook**

We believe the company's continued investment in improvement on existing and development of new product lines will enable us to maintain our customer base and continue our growth in targeted sectors of the market.

We anticipate a continuing demand for our services and products.

**Qualifying third party indemnity provisions**

At the time the report is approved there are no qualifying third party indemnity provisions in place for the benefit of one or more of the directors

**Charitable and political donations**

No donations were made during the period to political or charitable organisations ( 2018: \$nil).

## FIBERCORE LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### Principal risks and uncertainties

##### Financial risk factors

The company's activities expose it to a variety of financial risks: price risk, credit risk, liquidity risk, and market risk (including foreign currency risk and interest rate risk). The company has in place a risk management programme which seeks to minimise potential adverse effects on the company's financial performance.

##### Price risk

Where the company is exposed to commodity price risk as a result of its operations, the costs of managing this exposure exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

##### Credit risk

Credit risk is the financial loss to the company if a customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the company's cash and cash equivalents and receivables balances. The amount of exposure to any individual or counterparty is subject to a limit, which is reassessed regularly.

##### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. This risk relates to the company's prudent liquidity risk management and implies maintaining sufficient cash. Liquidity risk is managed through cash flow forecasting.

##### Foreign exchange risk

The company has both expenditures and revenue denominated in a foreign currency. The exposure is regularly reviewed and appropriate measures are taken to manage this risk.

#### Research and development activities

The company undertakes a number of different research and development projects in a year and the costs are taken directly to the income statement. The value expensed to the statement of comprehensive income to 31 December 2019 was \$44,000 (2018: \$168,000).

This report was approved by the board and signed on its behalf



**C Emslie**  
Director

Date: 19 November 2020

Fibercore House,  
University Parkway  
Chilworth  
Southampton  
SO16 7QQ



## FIBERCORE LIMITED

### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

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The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently,
- make judgments 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 to 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.

FIBERCORE LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Note	Year ended 31 December 2019 \$000	11 months ended 31 December 2018 \$000
Turnover	4	17,440	14,658
Cost of sales		(4,993)	(4,344)
<b>Gross profit</b>		<b>12,447</b>	<b>10,314</b>
Administrative expenses		(4,784)	(6,616)
<b>Operating profit</b>	5	<b>7,663</b>	<b>3,698</b>
Interest receivable and similar income	10	1,423	88
Interest payable and expenses	11	(18)	(13)
<b>Profit before tax</b>		<b>9,068</b>	<b>3,773</b>
Tax on profit	12	(1,519)	(657)
<b>Profit for the financial period</b>		<b>7,549</b>	<b>3,116</b>
<b>Total comprehensive income for the period</b>		<b>7,549</b>	<b>3,116</b>

The notes on pages 12 to 29 form part of these financial statements

FIBERCORE LIMITED  
REGISTERED NUMBER:02795233

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019

		Year ended 31 December 2019 \$000	11 months ended 31 December 2018 \$000
	Note		
<b>Fixed assets</b>			
Intangible assets	13	1,471	1,659
Tangible assets	14	5,682	5,217
		<u>7,153</u>	<u>6,876</u>
<b>Current assets</b>			
Stocks	15	2,220	2,950
Debtors, amounts falling due after more than one year	16	5	63
Debtors, amounts falling due within one year	16	41,810	32,234
Cash at bank and in hand	17	4,754	5,343
		<u>48,789</u>	<u>40,590</u>
Creditors, amounts falling due within one year	18	(2,268)	(1,399)
<b>Net current assets</b>		<u>46,521</u>	<u>39,191</u>
<b>Total assets less current liabilities</b>		<u>53,674</u>	<u>46,067</u>
<b>Provisions for liabilities</b>			
Other provisions	21	(1,098)	(1,040)
		<u>(1,098)</u>	<u>(1,040)</u>
<b>Net assets</b>		<u>52,576</u>	<u>45,027</u>
<b>Capital and reserves</b>			
Called up share capital	22	400	400
Share premium account	23	3,276	3,276
Profit and loss account	23	48,900	41,351
		<u>52,576</u>	<u>45,027</u>

FIBERCORE LIMITED  
REGISTERED NUMBER:02795233

STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2019

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The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



C Emslie  
Director

Date 19 November 2020

The notes on pages 12 to 29 form part of these financial statements

FIBERCORE LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000
At 1 January 2019	400	3,276	41,351	45,027
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	7,549	7,549
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	7,549	7,549
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2019</b>	<b>400</b>	<b>3,276</b>	<b>48,900</b>	<b>52,576</b>

The notes on pages 12 to 29 form part of these financial statements

FIBERCORE LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000
At 1 February 2018	400	86	38,235	38,721
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	3,116	3,116
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	3,116	3,116
Capital contribution	-	3,190	-	3,190
<b>Total transactions with owners</b>	-	3,190	-	3,190
<b>At 31 December 2018</b>	<b>400</b>	<b>3,276</b>	<b>41,351</b>	<b>45,027</b>

The notes on pages 12 to 29 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**1. General information**

Fiercore Limited (The company") undertakes the design, manufacture and sal of special purpose optical fibre

The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Fibercore House, University Parkway, Southampton Science Park, Southampton, SO16 7QQ

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006

The financial statements are presented in U S dollars to the nearest \$'000 except where otherwise indicated

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

- the requirements of Section 7 Statement of Cash Flows,
- the requirements of Section 3 Financial Statement Presentation paragraph 3 17(d)

This information is included in the consolidated financial statements of Rouse Acquisitionco Limited as at 31 December 2019 and these financial statements may be obtained from the Parent's company registered office, Fibercore House, University Parkway, Southampton Science Park, Southampton, SO16 7QQ

The period for the financial statements is the year ended the 31 December 2019. The comparative figures are for the 11 month period ended 31 December 2018. The change in accounting reference date was made in the prior period to bring the company into line with the group accounting period

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is USD

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.3 Foreign currency translation (CONTINUED)**

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied.

- the Company has transferred the significant risks and rewards of ownership to the buyer
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably.
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract,
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably

**2.5 Research and development**

Research and development costs are recognised in the statement of comprehensive income as incurred

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.7 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**2.9 Current and deferred taxation**

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

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits, and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.10 Intangible fixed assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents and licences	-	4-20 years
Computer software	-	3 years

**2.11 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term Leasehold property	-	50 years
Building & Leasehold Improvements	-	Over the remaining life of the building
Plant and machinery	-	8 years
Fixtures and fittings	-	3-8 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.12 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU'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 (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.13 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.14 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.16 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.18 Government grants**

Government grants are accounted for on an accruals basis. Grants are credited to the income statement over the life of the project. Where grants are used to fund the acquisition of property, plant and equipment, the grant is initially credited to deferred income then credited to the income statement over the estimated economic life of the asset.

**2.19 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.19 Financial instruments (CONTINUED)**

flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**2.20 Pensions**

**Defined contribution pension scheme**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial information under FRS102 requires the company to make estimates and judgments that affect the application of policies and reported amounts. Estimates and judgements 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. Actual results may differ from these estimates.

Reference is made in this note to accounting policies which cover areas that the Directors consider require estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. These policies together with reference to the related notes to the financial information can be found

**Useful economic lives**

Note  
2.10

The directors use the best available information to estimate the useful economic lives of the intangible assets. However there is significant uncertainty about the length as technology will last for and remain commercial.

**Contingent consideration**

20

The contingent consideration relates to the amounts owed relating to the future performance of business conducted under the master sales and distribution agreement in place with Acreo Swedish ICT AB. As there are a considerable number of unknowns related to this forecast it requires a significant amount of management judgement.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>Year ended 31 December 2019 \$000</b>	<b>11 month period ended 31 December 2018 \$000</b>
Turnover	<b>17,440</b>	14,658
	<b>17,440</b>	14,658

The turnover is attributable to the principal activity of the company arising in the United Kingdom.

An analysis of revenue by geographical area and activity has not been given because in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the company.

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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5. Operating profit

The operating profit is stated after charging

	Year ended 31 December 2019 \$000	11 month period ended 31 December 2018 \$000
Depreciation	307	318
Amortisation	128	119
Research & development charged as an expense	44	168
Other operating lease rentals	187	78
Exchange differences	18	18
	<u>          </u>	<u>          </u>

6. Auditors' remuneration

	Year ended 31 December 2019 \$000	11 month period ended 31 December 2018 \$000
Fees payable for the company audit	121	102
Fees payable for tax services	31	18
	<u>          </u>	<u>          </u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

7. Employees

Staff costs, including directors' remuneration were as follows

	Year ended 31 December 2019 \$000	11 month period ended 31 December 2018 \$000
Wages and salaries	3,286	2,987
Social security costs	281	624
Other pension costs	133	134
Share based payments	-	2,329
	<u>3,700</u>	<u>6,074</u>

The average monthly number of employees, including the directors, during the period was as follows

	Year ended 31 December 2019 No.	11 month period ended 31 December 2018 No.
Production	19	19
Administration	7	6
Engineering	8	7
Marketing	6	8
	<u>40</u>	<u>40</u>

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

8. Directors' remuneration

	Year ended 31 December 2019 \$000	11 month period ended 31 December 2018 \$000
Directors' emoluments	346	270
Share based payments	-	1,542
	<u>346</u>	<u>1,812</u>

During the period retirement benefits were accruing to no directors (2018: NIL) in respect of defined contribution pension schemes

The highest paid director received remuneration of \$NIL (2018: \$1,812,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to \$NIL (2018: \$NIL)

9. Share based payments

Share options in the erstwhile parent company of the group (Safety Technology Topco Inc.) were granted to selected employees of the Company. The options were conditional on the employee completing 1 to 5 years' service and/or being employed at the change of control of the parent company. During the previous period, the parent company of the group was acquired by an investment fund managed by Bridgepoint Capital. Accordingly, due to the change in the control of the parent company all the shares granted to employees under the option became vested and were cash settled by Fibercore Limited. The settlement of this option is recognised as an expense in the prior year (\$2,329,000) and is included in the comparative Administrative expenses. Funding for settlement has ultimately come from the acquiring entity i.e. Safe Parent, Inc. via Safety Technologies Holdings Inc. a company under common control of the new ultimate parent company which is recognised as a capital contribution from parent and included in the Equity

10. Interest receivable

	Year ended 31 December 2019 \$000	11 month period ended 31 December 2018 \$000
Interest receivable from group companies	1,423	88
	<u>1,423</u>	<u>88</u>



FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

11. Interest payable and similar expenses

	Year ended 31 December 2019 \$000	11 month period ended 31 December 2018 \$000
Unwinding of discount on lease restoration provision	18	13
	<u>18</u>	<u>13</u>

12. Taxation

	Year ended 31 December 2019 \$000	11 month period ended 31 December 2018 \$000
<b>Corporation tax</b>		
Current tax on profits for the year	1,458	680
	<u>1,458</u>	<u>680</u>
<b>Total current tax</b>	<u>1,458</u>	<u>680</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	61	(23)
<b>Total deferred tax</b>	<u>61</u>	<u>(23)</u>
<b>Taxation on profit on ordinary activities</b>	<u>1,519</u>	<u>657</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

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12. Taxation (continued)

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below.

	2019 \$000	2018 \$000
Profit on ordinary activities before tax	9,068	3,773
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	1,723	717
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(67)	(67)
Other	(138)	6
Group relief	1	1
<b>Total tax charge for the period</b>	<b>1,519</b>	<b>657</b>

**Factors that may affect future tax charges**

In a prior period a change in the corporation tax rate to 18% with effect of the 1 April 2020 received Royal Assent. The Finance Bill 2016 further reduced the corporation tax rate to 17% with effect from 1 April 2020.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

13. Intangible assets

	Patents \$000	Computer software \$000	Total \$000
<b>Cost</b>			
At 1 January 2019	3,876	291	4,167
Disposals	-	(19)	(19)
At 31 December 2019	<u>3,876</u>	<u>272</u>	<u>4,148</u>
<b>Amortisation</b>			
At 1 January 2019	2,274	234	2,508
Charge for the period on owned assets	101	27	128
On disposals	-	(11)	(11)
Impairment charge	52	-	52
At 31 December 2019	<u>2,427</u>	<u>250</u>	<u>2,677</u>
<b>Net book value</b>			
At 31 December 2019	<u>1,449</u>	<u>22</u>	<u>1,471</u>
At 31 December 2018	<u>1,602</u>	<u>57</u>	<u>1,659</u>

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

14. Tangible fixed assets

	Freehold property \$000	Long-term leasehold property \$000	Plant and machinery \$000	Fixtures and fittings \$000	Total \$000
<b>Cost or valuation</b>					
At 1 January 2019	900	5,753	6,791	835	14,279
Additions	-	-	604	166	770
Disposals	-	-	-	(497)	(497)
At 31 December 2019	900	5,753	7,395	504	14,552
<b>Depreciation</b>					
At 1 January 2019	304	1,790	6,158	810	9,062
Charge for the period on owned assets	18	116	160	11	305
Disposals	-	-	-	(497)	(497)
At 31 December 2019	322	1,906	6,318	324	8,870
<b>Net book value</b>					
At 31 December 2019	578	3,847	1,077	180	5,682
At 31 December 2018	596	3,963	633	25	5,217

15. Stocks

	2019 \$000	2018 \$000
Raw materials and consumables	1,037	1,040
Finished goods and goods for resale	1,183	1,910
	2,220	2,950

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

16. Debtors

	2019 \$000	2018 \$000
<i>Due after more than one year</i>		
Deferred tax asset	5	63
	<u>5</u>	<u>63</u>
	2019 \$000	2018 \$000
<i>Due within one year</i>		
Trade debtors	3,316	2,643
Amounts owed by group undertakings	38,252	29,357
Other taxes and social security	39	85
Prepayments and accrued income	203	149
	<u>41,810</u>	<u>32,234</u>

Of the amounts owed from group undertakings \$199,000 relates to an unsecured loan note issued by Rouse AcquisitionCo Limited which has an interest rate of 6% and is redeemable in 2022. \$9,534,000 relates to an unsecured loan which has a 4% interest and no fixed repayment date. The remainder of the debt is current, none interest bearing and has no fixed repayment date.

Trade receivables are stated after provisions for impairment of \$23,000 (31 December 2018: \$36,000)

17. Cash and cash equivalents

	2019 \$000	2018 \$000
Cash at bank and in hand	4,754	5,343
	<u>4,754</u>	<u>5,343</u>

18. Creditors: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 \$000	2018 \$000
Trade creditors	358	362
Corporation tax	816	50
Other taxation and social security	115	85
Other creditors	22	-
Accruals and deferred income	957	902
	<u>2,268</u>	<u>1,399</u>

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

19. Financial instruments

	2019 \$000	2018 \$000
<b>Financial assets</b>		
Cash at bank and in hand	<u>4,754</u>	<u>5,343</u>

20. Deferred taxation

	2019 \$000
At beginning of year	63
Charged to profit or loss	(58)
<b>At end of year</b>	<u>5</u>

The deferred tax asset is made up as follows

	2019 \$000	2018 \$000
<i>Accelerated capital allowances</i>	5	51
Other timing differences	-	12
	<u>5</u>	<u>63</u>

# FIBERCORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

### 21. Provisions

	Warranty provision \$000	Lease restoration obligation \$000	Deferred compensation \$000	Total \$000
At 1 January 2019	85	582	373	1,040
Charged to profit or loss	2	45	11	58
<b>At 31 December 2019</b>	<b>87</b>	<b>627</b>	<b>384</b>	<b>1,098</b>

#### Warranty provision

Provision for warranty is recognised for expected warranty claims on products sold during the last period. It is expected that most of these costs will be incurred in the next financial year.

#### Lease restoration obligation

Provision is made for the estimated liabilities that will be incurred by the Company on the termination of the property lease and an equivalent amount is capitalised and written off over the estimated useful life of the asset. The increase in the provision due to passage of time is recognised as interest expense. Other increases are treated as an increase to the amount capitalised and written off over the period of the lease. The lease is scheduled to finish in 2101.

#### Contingent Consideration

The contingent consideration is the current fair value of the amounts owed in relation to the acquisition of the distribution agreement from Acreo Swedish ICT AB. The remaining payments are estimated to become payable over the next 2 years.

### 22. Share capital

	2019 \$000	2018 \$000
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
400,000 (2018: 400,000) Ordinary shares of \$1.00 each	400	400

### 23. Reserves

#### Capital contribution

In the prior period a capital contribution of \$2,329,000 was made which represents a payment made by a company under common control (Sensor Technology Topco Inc.) to the Company as a reimbursement for amounts paid in respect of the share based payments plan.

Also in the prior period H.I.G. Europe – Fibercore Bidco Limited agreed a debt waiver with Fibercore Limited for \$861,000 which was considered for as a capital contribution to Fibercore Limited.

# FIBERCORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

### 24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to \$132,000 (2018: \$134,000). Contributions totalling \$22,000 (2018: \$23,000) were payable to the fund at the reporting date and are included in creditors.

### 25. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 \$000	2018 \$000
Not later than 1 year	109	98
	<u>109</u>	<u>98</u>
	2019 \$000	2018 \$000
Not later than 1 year	111	89
Later than 1 year and not later than 5 years	113	105
	<u>224</u>	<u>194</u>

### 26. Controlling party

The immediate parent undertaking is H.I.G. - Fibercore Bibco 2 Limited, a company incorporated in the United Kingdom. Rouse Acquisitionco Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2019. The consolidated financial statements of Rouse Acquisitionco Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ under Rouse Acquisitionco Limited, company number 10551260.

The directors regard BEV Bidco 6 Limited to be the ultimate controlling party.