

FIBERCORE LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021



FIBERCORE LIMITED

COMPANY INFORMATION

Directors	C Emslie (resigned 31 October 2021) C O'Connor A Singhi D Brady (appointed 1 November 2021)
Registered number	02795233
Registered office	Fibercore House, University Parkway Chilworth Southampton SO16 7QQ

FIBERCORE LIMITED

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FIBERCORE LIMITED
STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

INTRODUCTION

The directors present the strategic report of the company for the year ended 31 December 2021.

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 \$9,279,000 (2020: \$7,700,000). The growth in our customer base has been very pleasing. There is still a strong balance sheet position with cash of \$3,216,000 available (2020: \$4,336,000)

The company has increased its strong net asset position, which at 31 December is \$69,555,000 (2020: \$60,276,000).

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 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 3 of the annual report there are a number of financial risk facts which are managed by the directors. For full details please see page 3.

FIBERCORE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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.



A Singhi
Director

Date: 20 September 2022

FIBERCORE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the period ended 31 December 2021.

Results and dividends

The profit for the period, after taxation, amounted to \$9,279,000 (2020: \$7,700,000).

The directors do not recommend the payment of a dividend (2020: \$nil).

Directors

The directors who served during the period were:

C Emslie (resigned 31 October 2021)
C O'Connor
A Singhi
D Brady (appointed 1 November 2021)

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). 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.

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.

FIBERCORE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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 2021 was \$12,000 (2020: \$32,000).

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

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



A Singhi
Director

Date: 20 September 2022

Fibercore House,
University Parkway
Chilworth
Southampton
SO16 7QQ

FIBERCORE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021

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 INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Note	2021 \$000	2020 \$000
Turnover	4	20,721	15,868
Cost of sales		(6,741)	(3,930)
Gross profit		13,980	11,938
Administrative expenses		(4,905)	(4,607)
Operating profit	5	9,075	7,331
Interest receivable and similar income	9	2,135	1,792
Interest payable and similar expenses	10	-	(19)
Profit before tax		11,210	9,104
Tax on profit	11	(1,761)	(1,404)
Profit after tax		9,449	7,700
Retained earnings at the beginning of the period		56,600	48,900
		56,600	48,900
Profit for the period		9,449	7,700
Retained earnings at the end of the period		66,049	56,600

The notes on pages 9 to 25 form part of these financial statements.

FIBERCORE LIMITED
REGISTERED NUMBER:02795233
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$000	2020 \$000
Fixed assets			
Intangible assets	12	957	1,061
Tangible assets	13	6,089	5,979
		<u>7,046</u>	<u>7,040</u>
Current assets			
Stocks	14	1,736	2,043
Debtors: amounts falling due after more than one year	15	-	19
Debtors: amounts falling due within one year	15	62,179	51,216
Cash at bank and in hand	16	3,216	4,336
		<u>67,131</u>	<u>57,614</u>
Creditors: amounts falling due within one year	17	(3,530)	(3,557)
Net current assets		<u>63,601</u>	<u>54,057</u>
Total assets less current liabilities		<u>70,647</u>	<u>61,097</u>
Provisions for liabilities			
Deferred tax	19	(25)	-
Other provisions	20	(897)	(821)
		<u>(922)</u>	<u>(821)</u>
Net assets		<u><u>69,725</u></u>	<u><u>60,276</u></u>
Capital and reserves			
Called up share capital	21	400	400
Share premium account		3,276	3,276
Profit and loss account		66,049	56,600
		<u>69,725</u>	<u>60,276</u>

FIBERCORE LIMITED
REGISTERED NUMBER:02795233

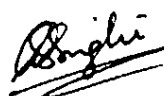
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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:



A Singhi
Director

Date: 20 September 2022

The notes on pages 9 to 25 form part of these financial statements.

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

Fibercore Limited ("The company") undertakes the design, manufacture and sale 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 prepared 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 2021 and these financial statements may be obtained from the Parent's company registered office: Fibercore House, University Parkway, Southampton Science Park, Southampton, SO16 7QQ.

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

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.

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 income and retained earnings 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.

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.5 RESEARCH AND DEVELOPMENT

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

2.6 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 INTEREST INCOME

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

2.8 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.

2.9 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 reporting 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.

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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	-	8 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

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.

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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 reporting 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.

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

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 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 income and retained earnings.

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.

FIBERCORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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 of time that technology will last for and remain commercial.

Lease restoration

20

The contingent consideration in the accounts for the lease restoration provision relates to the Company having to return the site back to its original state. The lease restoration provision has been valued by a management expert and increases each year with inflation. Significant estimates have been made by the management expert in the valuation of this provision.

4. TURNOVER

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

	2021 \$000	2020 \$000
Turnover	20,721	15,868
	<u>20,721</u>	<u>15,868</u>

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 2021**

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	\$000	\$000
Depreciation	384	356
Amortisation	103	109
Research & development charged as an expense	12	32
Other operating lease rentals	149	129
Exchange differences	66	5
	<u>66</u>	<u>5</u>

6. AUDITORS' REMUNERATION

	2021	2020
	\$000	\$000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	50	47
	<u>50</u>	<u>47</u>

Auditors' remuneration is paid on behalf of the Group in respect of the audit of the Group financial statements.

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 2021**

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2021 \$000	2020 \$000
Wages and salaries	3,105	2,743
Social security costs	279	287
Cost of defined contribution scheme	103	145
	<u>3,487</u>	<u>3,175</u>

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

	2021 No.	2020 No.
Production	21	19
Administration	9	7
Engineering	6	8
Marketing	6	6
	<u>42</u>	<u>40</u>

8. DIRECTORS' REMUNERATION

	2021 \$000	2020 \$000
Directors' emoluments	349	346
	<u>349</u>	<u>346</u>

9. INTEREST RECEIVABLE

	2021 \$000	2020 \$000
Interest receivable from group companies	2,135	1,791
Other interest receivable	-	1
	<u>2,135</u>	<u>1,792</u>

FIBERCORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	\$000	\$000
Other loan interest payable	-	19
	<u>-</u>	<u>19</u>
	<u>-</u>	<u>19</u>

11. TAXATION

	2021	2020
	\$000	\$000
CORPORATION TAX		
Current tax on profits for the year	1,717	1,417
	<u>1,717</u>	<u>1,417</u>
	<u>1,717</u>	<u>1,417</u>
TOTAL CURRENT TAX	<u>1,717</u>	<u>1,417</u>
DEFERRED TAX		
Origination and reversal of timing differences	44	(13)
	<u>44</u>	<u>(13)</u>
TOTAL DEFERRED TAX	<u>44</u>	<u>(13)</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>1,761</u>	<u>1,404</u>

FIBERCORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD/YEAR

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	\$000	\$000
Profit on ordinary activities before tax	11,210	9,104
<i>Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)</i>	2,130	1,730
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	32	21
Other	(3)	41
Group relief	(398)	(388)
TOTAL TAX CHARGE FOR THE YEAR	1,761	1,404

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Prior to the balance sheet date legislation was substantively enacted which will increase the main rate of corporation tax from 19% to 25% from 1 April 2023. This increase has been reflected in the calculation of the companies deferred tax assets and liabilities.

FIBERCORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

12. INTANGIBLE ASSETS

	Patents \$000	Computer software \$000	Total \$000
COST			
At 1 January 2021	3,567	279	3,846
At 31 December 2021	3,567	279	3,846
AMORTISATION			
At 1 January 2021	2,522	264	2,786
Charge for the period on owned assets	95	8	103
At 31 December 2021	2,617	272	2,889
NET BOOK VALUE			
At 31 December 2021	950	7	957
At 31 December 2020	1,046	15	1,061

FIBERCORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

13. TANGIBLE FIXED ASSETS

	Long-term leasehold land \$000	Long-term leasehold property \$000	Plant and machinery \$000	Fixtures and fittings \$000	Total \$000
COST OR VALUATION					
At 1 January 2021	900	5,753	8,044	509	15,206
Additions	-	-	457	36	493
At 31 December 2021	900	5,753	8,501	545	15,699
DEPRECIATION					
At 1 January 2021	340	2,021	6,481	384	9,226
Charge for the period on owned assets	18	115	184	67	384
At 31 December 2021	358	2,136	6,665	451	9,610
NET BOOK VALUE					
At 31 December 2021	542	3,617	1,836	94	6,089
At 31 December 2020	559	3,732	1,563	125	5,979

14. STOCKS

	2021 \$000	2020 \$000
Raw materials and consumables	1,131	1,157
Work in progress (goods to be sold)	194	-
Finished goods and goods for resale	411	886
	1,736	2,043

FIBERCORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

15. DEBTORS

	2021	2020
	\$000	\$000
DUE AFTER MORE THAN ONE YEAR		
Deferred tax asset	-	19
	<u>-</u>	<u>19</u>
	2021	2020
	\$000	\$000
DUE WITHIN ONE YEAR		
Trade debtors	2,573	2,357
Amounts owed by group undertakings	59,257	48,521
Other taxes and social security	122	199
Prepayments and accrued income	227	139
	<u>62,179</u>	<u>51,216</u>

Of the amounts owed from group undertakings \$31,452,370 relates to an unsecured loan issued by Rouse AcquisitionCo Limited which has an interest rate of 4% and is repayable on demand. \$25,403,574 relates to an unsecured loan which has a 4% interest and no fixed repayment date. The remainder of the debt is current, non interest bearing and has no fixed repayment date.

Trade receivables are stated after provisions for impairment of \$121,000 (31 December 2020: \$23,000)

16. CASH AND CASH EQUIVALENTS

	2021	2020
	\$000	\$000
Cash at bank and in hand	3,216	4,336
	<u>3,216</u>	<u>4,336</u>

FIBERCORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	\$000	\$000
Trade creditors	930	1,378
Amounts owed to group undertakings	1,180	1,057
Corporation tax	337	194
Other taxation and social security	97	82
Other creditors	-	32
Accruals and deferred income	986	814
	<u>3,530</u>	<u>3,557</u>

18. FINANCIAL INSTRUMENTS

	2021	2020
	\$000	\$000
FINANCIAL ASSETS		
Cash at bank and in hand	<u>3,216</u>	<u>4,336</u>

19. DEFERRED TAXATION

	2021
	\$000
At beginning of year	19
Charged to profit or loss	(44)
AT END OF YEAR	<u>(25)</u>

The deferred tax asset is made up as follows:

	2021	2020
	\$000	\$000
Accelerated capital allowances	(25)	19
	<u>(25)</u>	<u>19</u>

FIBERCORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

20. PROVISIONS

	Warranty Provision \$000	Lease Restoration Obligation \$000	Deferred Compensation \$000	Total \$000
At 1 January 2021	79	665	77	821
Charged to profit or loss	45	31	-	76
AT 31 DECEMBER 2021	124	696	77	897

21. SHARE CAPITAL

	2021 \$000	2020 \$000
ALLOTTED, CALLED UP AND FULLY PAID		
400,000 (2020: 400,000) Ordinary shares of \$1.00 each	400	400

22. 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 \$103,000 (2020: \$145,000). Contributions totalling \$29,990 (2020: \$20,000) were payable to the fund at the reporting date and are included in creditors.

23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 \$000	2020 \$000
Not later than 1 year	149	94
Later than 1 year and not later than 5 years	277	174
	426	268

FIBERCORE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

24. 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 2021. 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.