Registered number: 10551260

ROUSE ACQUISITIONCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Bishop Fleming

ROUSE ACQUISITIONCO LIMITED

COMPANY INFORMATION

Directors	James Habel (resigned 31 December 2020) Christopher O'Connor Amit Singhi (appointed 1 January 2021)
Registered number	10551260
Registered office	Fibercore House University Parkway Southampton Science Park, Chilworth Southampton SO16 7QQ
Independent auditors	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

ROUSE ACQUISITIONCO LIMITED

CONTENTS

INTRODUCTION

The directors present the strategic report of the Company and Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

Rouse Acquisitionco Limited ("the company") is the holding company of the Fibercore Group, the Aero Sense Technologies group and the Optek group. The Fibercore Group undertakes the design, manufacture and sale of special purpose optical fibers and related products and services. The Aero Sense Technologies group (acquired on 17 October 2018) undertakes the design and manufacture of aerospace components. The Optek group (acquired on the 31st January 2019) undertakes the development of laser micromachining processes.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Building upon a long and well established line of specialised products and business, the Group continues to invest in the improvement of existing and new product lines within fiber optics, in order to service the ongoing demand of its existing markets and in order to expand into new ones. In addition, the group has diversified into aerospace control component design and manufacturing and laser micro machining via the purchase of the Aero Sense Technologies Group and the Optek Group respectively.

The Group has a strong net asset position at 31 December 2020 of $78,220,000 (December 2019: $74,112,000).

The results for the year were a profit of $4,108,000 (December 2019: $4,841,000).

The directors have considered likely future developments and have identified none, other than those noted in the principal risks and uncertainties section below, that would have a significant impact on the ongoing operations of the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group'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 Group'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 Group 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 group. Furthermore, its customers would have alternative source options open for consideration. The group 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 the Directors' Report, there are a number of financial risk facts which are managed by the directors.

BREXIT risk – The Directors have considered the impact of the United Kingdom leaving the European Union on the business. The Group 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.

COVID-19 risk - The Directors have considered COVID-19 carefully and are managing the risks to supply chain, people and customers. This is being achieved via increased forecast review for both sales and cashflow and adjustments to operating procedures to protect staff.

At this stage, the impact on our business and results has not been significant and, based on our experience to date, we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

We also refer to note 2.4 Going Concern on page 19.

FINANCIAL KEY PERFORMANCE INDICATORS

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

This report was approved by the board on 2 December 2021 and signed on its behalf.

Amit Singhi
Director

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The profit for the year, after taxation, amounted to $4,109 thousand (2019: $4,841 thousand).

Dividends
The directors do not propose the payment of a dividend for the year ended 31 December 2020 (December 2019: nil).

Charitable and political donations
No donations were made during the year to political or charitable organisations.

Research and Development
The Group 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 in the year to 31 December 2020 was $32,000 (December 2019: $412,000).

Future Developments
See the Strategic Report for details of future developments.

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

Price risk
Where the Group 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 Group's operations change in size or nature.

Credit risk
Credit risk is the financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group'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 Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash. Liquidity risk is managed through cash flow forecasting.

Foreign exchange risk
The Group has both expenditures and revenue denominated in a foreign currency. This exposure is regularly reviewed. Rouse Acquisitionco Limited and its subsidiaries are participants in the wider group hedging strategy. This group, headed by BEV Bidco 6 Limited employ a formal hedging policy to mitigate the effects of foreign exchange fluctuations.

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.

Directors

The directors who served during the year were:

James Habel (resigned 31 December 2020)
Christopher O'Connor

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Independent Auditors

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Amit Singhi
Director

Date: 2 December 2021

Fibercore House University Parkway
Southampton Science Park, Chilworth
Southampton
SO16 7QQ

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROUSE ACQUISITIONCO LIMITED

Opinion

We have audited the financial statements of Rouse Acquisitionco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated Income statement, the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and the Parent Company's and Group's performance;
- results of our enquiries of management and the Directors, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Parent Company's and Group's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As a result of these procedures, we considered the opportunities and incentives that may exist within the Parent Company and Group for *fraud, which included incorrect recognition of revenue, management override of controls using manual* journal entries, incomplete provision for returns, and identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Parent Company and Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's and Parent Company's ability to operate or to avoid a material penalty. These included, data protection regulations, occupational health and safety regulations, Import export regulations, environmental permit ISO14001 and employment legislation.

Our procedures to respond to risks identified included the following for the Parent Company and its subsidiaries, as was considered appropriate :

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Directors and management concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the above regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of director meetings; and
- *in addressing the risk of fraud through management override of controls, testing the appropriateness of*

journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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 Auditors' 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.

Bishop Fleming LLP

Mark Munro FCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

10 December 2021

ROUSE ACQUISITIONCO LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 $000	2019 $000
Turnover	4	**32,835**	35,496
Cost of sales		**(9,347)**	(12,288)
Gross profit		**23,488**	23,208
Distribution costs		**(260)**	-
Administrative expenses		**(17,044)**	(16,420)
Other operating income	5	**301**	431
Operating profit	6	**6,485**	7,219
Interest receivable and similar income	10	**55**	32
Interest payable and similar expenses	11	**(230)**	(330)
Profit before tax		**6,310**	6,921
Tax on profit	12	**(2,201)**	(2,080)
Profit for the financial year		**4,109**	4,841
Profit for the year attributable to:			
Owners of the parent		**4,109**	4,841
		4,109	4,841

The notes on pages 18 to 39 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 $000	2019 $000
Profit for the financial year		**4,109**	4,841
Other comprehensive income			
Other comprehensive income		**(1)**	149
Other comprehensive income for the year		**(1)**	149
Total comprehensive income for the year		**4,108**	4,990
		-	-

The notes on pages 18 to 39 form part of these financial statements.

ROUSE ACQUISITIONCO LIMITED
REGISTERED NUMBER:10551260

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note		2020 $000		2019 $000
Fixed assets					
Intangible assets	13		**64,050**		69,393
Tangible assets	14		**8,578**		7,369
			72,628		76,762
Current assets					
Stocks	17	**4,932**		4,515	
Debtors: amounts falling due within one year	18	**8,447**		7,873	
Cash at bank and in hand	19	**6,808**		7,805	
		20,187		20,193	
Creditors: amounts falling due within one year	20	**(11,241)**		(14,736)	
Net current assets			**8,946**		5,457
Total assets less current liabilities			**81,574**		82,219
Creditors: amounts falling due after more than one year			**(1,045)**		-
Provisions for liabilities					
Deferred taxation	22	**(1,190)**		(1,216)	
Other provisions	23	**(1,119)**		(6,891)	
			(2,309)		(8,107)
Net assets			**78,220**		74,112
Capital and reserves					
Called up share capital	24		**70,793**		70,793
Share premium account	25		**2,329**		2,329
Foreign exchange reserve	25		**148**		149
Profit and loss account	25		**4,950**		841
Equity attributable to owners of the parent Company			**78,220**		74,112

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

Amit Singhi
Director

Date: 2 December 2021

The notes on pages 18 to 39 form part of these financial statements.

ROUSE ACQUISITIONCO LIMITED
REGISTERED NUMBER:10551260

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note		2020 $000		2019 $000
Fixed assets					
Investments	15		**109,361**		109,361
			109,361		109,361
Creditors: amounts falling due within one year	20	**(31,872)**		(27,508)	
Net current liabilities			**(31,872)**		(27,508)
Total assets less current liabilities			**77,489**		81,853
Provisions for liabilities					
Other provisions	23	**-**		(5,504)	
			-		(5,504)
Net assets			**77,489**		76,349
Capital and reserves					
Called up share capital	24		**70,793**		70,793
Profit and loss acount brought forward		**5,556**		(103)	
Profit for the year		**1,140**		5,659	
Profit and loss account carried forward			**6,696**		5,556
			77,489		76,349

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

Amit Singhi
Director

Date: 2 December 2021

The notes on pages 18 to 39 form part of these financial statements.

ROUSE ACQUISITIONCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 $000	2019 $000
Cash flows from operating activities		
Profit for the financial year	**4,109**	4,841
Adjustments for:		
Amortisation of intangible assets	**5,061**	4,560
Depreciation of tangible assets	**1,102**	999
Government grants	**(301)**	(431)
Interest paid	**230**	330
Interest received	**(55)**	(32)
Taxation charge	**2,201**	2,080
(Increase) in stocks	**(417)**	(150)
(Increase) in debtors	**(574)**	(2,043)
(Decrease) in creditors	**(2,951)**	(638)
(Decrease)/increase in provisions	**(5,455)**	51
Corporation tax (paid)	**(2,771)**	(936)
Foreign Exchange	**(11)**	152
Net cash generated from operating activities	**168**	8,783
Cash flows from investing activities		
Purchase of intangible fixed assets	**(26)**	-
Purchase of tangible fixed assets	**(2,310)**	(1,715)
Government grants received	**301**	431
Purchase of fixed asset investments	**-**	(5,350)
Interest received	**55**	32
Net cash from investing activities	**(1,980)**	(6,602)
Cash flows from financing activities		
New secured loans	**1,045**	-
Interest paid	**(230)**	(330)
Net cash used in financing activities	**815**	(330)
Net (decrease)/increase in cash and cash equivalents	**(997)**	1,851

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 $000	2019 $000
Cash and cash equivalents at beginning of year	**7,805**	5,954
Cash and cash equivalents at the end of year	**6,808**	7,805
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**6,808**	7,805
	6,808	7,805

The notes on pages 18 to 39 form part of these financial statements.

The Company has elected to take the available exemption under FRS 102, para 1.12(b) not to present a Company statements of cash flows.

1. GENERAL INFORMATION

Rouse Acquisitionco Limited is a limited liability company, limited by shares, incorporated and domiciled in England. Its registered office is Fibercore House, University Parkway, Southampton Science Park, Southampton, Hampshire, SO16 7QQ.

The consolidated financial statements of the Group for the year ended 31 December 2020 comprise the Company, Rouse Acquisitionco Limited and its subsidiaries. A listing of the Company's subsidiairies is given in the note 16.

The Group undertakes the design, manufacture and sale of special purpose optical fibres and related products and services. It has an optical fiber manufacturing facility near Southampton, United Kingdom. The HiTech Solutions Private Limited group engages in the design, manufacture and sale of aerospace components with sites in the United Kingdom and Sri Lanka. The Optek Group, based in the UK, undertakes the development of laser micromachining processes.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated 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 ("FRS 102") and the Companies Act 2006.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income statement in these financial statements.

The consolidated financial statement are presented in U.S. dollar to the nearest thousand ($'000), except where otherwise indicated.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated income statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2017.

2. ACCOUNTING POLICIES (continued)

2.3 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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.

2.4 GOING CONCERN

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 and Group 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 Group'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. Specifically, the directors have:

2.5 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is USD.

The primary trading entities in the group are Fibercore Limited, OpTek Limited, Hitech Sensors (Private) Limited (a company incorporated in Sri Lanka) and OpTek Systems Inc (a company incorporated in the USA). With the exception of OpTek Limited, the majority of revenue, purchases and other transactions are denominated in USD. The majority of transactions within OpTek Limited are denominated in GBP. All companies prepare their management accounts in USD.

Based on the above, it is considered appropriate to present the financial statements of the Group in 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.

On consolidation, the results of overseas operations are translated into Dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual

ROUSE ACQUISITIONCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Capital contribution	Foreign exchange reserve	Profit and loss account	Total equity
	$000	$000	$000	$000	$000
At 1 January 2019	**70,793**	**2,329**	**-**	**(4,000)**	**69,122**
Comprehensive income for the year					
Profit for the year	-	-	-	4,841	4,841
Foreign exchange translation on consolidation	-	-	149	-	149
Total comprehensive income for the year	-	-	149	4,841	4,990
At 1 January 2020	**70,793**	**2,329**	**149**	**841**	**74,112**
Comprehensive income for the year					
Profit for the year	-	-	-	4,109	4,109
Foreign exchange translation movement on consolidation	-	-	(1)	-	(1)
Total comprehensive income for the year	-	-	(1)	4,109	4,108
At 31 December 2020	**70,793**	**2,329**	**148**	**4,950**	**78,220**

The notes on pages 18 to 39 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	$000	$000	$000
At 1 January 2019	70,793	(103)	70,690
Comprehensive income for the year			
Profit for the year	-	5,659	5,659
Total comprehensive income for the year	-	5,659	5,659
At 1 January 2020	70,793	5,556	76,349
Comprehensive income for the year			
Profit for the year	-	1,140	1,140
Total comprehensive income for the year	-	1,140	1,140
At 31 December 2020	70,793	6,696	77,489

The notes on pages 18 to 39 form part of these financial statements.

2. ACCOUNTING POLICIES (continued)

2.5 FOREIGN CURRENCY TRANSLATION (CONTINUED)

rate are recognised in other comprehensive income.

2.6 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

Provisions of goods under contract

Revenue from the provisions of goods under contract 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;
- is probable that the Group 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.

2.7 OPERATING LEASES: THE GROUP 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.

2.8 RESEARCH AND DEVELOPMENT

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

2. ACCOUNTING POLICIES (continued)

2.9 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated income statement in the same period as the related expenditure.

2.10 INTEREST INCOME

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

2.11 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.

2.12 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.13 CURRENT AND DEFERRED TAXATION

The tax expense for the year 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2. ACCOUNTING POLICIES (continued)

2.14 INTANGIBLE ASSETS

GOODWILL

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated income statement over its useful economic life.

OTHER INTANGIBLE 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
Goodwill	-	10-20 years
Distribution licence	-	20 years

See note 13.

2.15 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.

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.

2. ACCOUNTING POLICIES (continued)

2.15 TANGIBLE FIXED ASSETS (CONTINUED)

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 interest	- 50 years
Building and leasehold improvements	- Over the remaining life of the building
Plant and machinery	- 8 years
Fixtures, fittings and equipment	- 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.

See note 14.

2.16 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 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 weighted average 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.

2.18 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.

2.19 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. ACCOUNTING POLICIES (continued)

2.20 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.

2.21 FINANCIAL INSTRUMENTS

The Group 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.

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 Consolidated income statement.

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.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial Liabilities

Basic financial liabilities including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.22 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group 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 Group 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.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated finacial information under FRS 102 requires the Group 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 can be found below:

Goodwill accounting
The valuation of business combinations require signifianct estimates which require the management to make judgments (notes 2.13 and 13).

Useful economic lives
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 technology will remain commercial for (notes 2.14 and 14).

Fair value of earn out on business combination (contingent consideration)
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 ICR AB, the former shareholders of the Aerosense Technologies Holdings Limited and amounts owed to the former shareholders of the OpTek Group. As there are a considerable unknowns factors related to this forecasts it requires a significant amount of management judgement (notes 23).

Lease restoration
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 (note 23).

Contract Accounting
IContract accounting is used to account for some of the sales in the Group. Where contract accounting is used management base revenue of contracts based on stage of milestones. management believe that this is the best estimate for the recognition of income in the accounts.

4. TURNOVER

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

	2020	2019
	$000	$000
Turnover	**32,835**	35,496
	32,835	35,496

The turnover is attributable to the principal activity of the Group.

An analysis of turnover by geographical area and activity has not been given because, in the opinion of the directors, such disclosure would be seriously prejudical to the interests of the Group.

5. OTHER OPERATING INCOME

	2020 $000	2019 $000
Government grants receivable	**301**	431
	301	431

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020 $000	2019 $000
Amortisation of intangible assets	**5,061**	4,560
Depreciation of tangible assets	**1,102**	999
Research and development costs	**32**	412
Exchange differences	**234**	(284)
Other operating lease rentals	**289**	433

7. AUDITORS' REMUNERATION

	2020 $000	2019 $000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**310**	155

FEES PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:

	2020 $000	2019 $000
Taxation compliance services	**46**	31
	46	31

8. EMPLOYEES

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

	Group 2020 $000	Group 2019 $000	**Company 2020 $000**	Company 2019 $000
Wages and salaries	**7,086**	8,122	**-**	-
Social security costs	**529**	514	**-**	-
Cost of defined contribution scheme	**219**	194	**-**	-
	7,834	8,830	**-**	-

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

	2020 No.	2019 No.
Production staff	**72**	137
Administration staff	**11**	12
Engineering staff	**11**	41
Marketing staff	**13**	25
	107	215

The Company has no employees other than the directors, who did not receive any remuneration *(2019: $NIL)*

9. KEY MANAGEMENT PERSONNEL

Key managament personnel comprise the senior operational staff of the Group.

The directors' services to this company are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to other companies which pay their cost and no recharge is made. Accordingly these financial statements include no emoluments in respect of the directors.

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 $000	2019 $000
Other interest receivable	**55**	32
	55	32

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 $000	2019 $000
Unwinding of discounts on provisions	**180**	315
Other interest payable	**50**	15
	230	330

12. TAXATION

	2020 $000	2019 $000
CORPORATION TAX		
Current tax on profits for the year	**2,215**	2,272
	2,215	2,272
TOTAL CURRENT TAX	**2,215**	2,272
DEFERRED TAX		
Origination and reversal of timing differences	**(14)**	(192)
TOTAL DEFERRED TAX	**(14)**	(192)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	**2,201**	2,080

12. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 $000	2019 $000
Profit on ordinary activities before tax	**6,311**	6,921
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**1,203**	1,315
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1,126**	844
Patent box claim	**-**	(148)
Other	**(56)**	69
Capital allowances	**(72)**	-
TOTAL TAX CHARGE FOR THE YEAR	**2,201**	2,080

Following the balance sheet date legislation has been substantively enacted which will increase the main rate of corporation tax from 19% to 25% from 1 April 2023. This increase has not been reflected in the calculation of the companies deferred tax assets and liabilities since it was not substantively enacted until after the balance sheet date.

13. INTANGIBLE ASSETS

Group

	Patents and licences $000	Computer software $000	Goodwill $000	Total $000
COST				
At 1 January 2020	8,277	80	71,207	79,564
Additions	-	26	-	26
Release of provision	(309)	-	-	(309)
Foreign exchange movement	5	(1)	-	4
At 31 December 2020	7,973	105	71,207	79,285
AMORTISATION				
At 1 January 2020	987	77	9,107	10,171
Charge for the year on owned assets	507	6	4,548	5,061
Foreign exchange movement	4	(1)	-	3
At 31 December 2020	1,498	82	13,655	15,235
NET BOOK VALUE				
At 31 December 2020	6,475	23	57,552	64,050
At 31 December 2019	7,290	3	62,100	69,393

The Company has no intangible assets at 31 December 2020 (31 December 2019: nil)

14. TANGIBLE FIXED ASSETS

Group

	Long Leasehold Interest $000	Building & Leasehold Improvements $000	Plant and machinery $000	Fixtures, Fittings & Equipment $000	Total $000
COST OR VALUATION					
At 1 January 2020	639	2,746	4,866	506	8,757
Additions	39	1,167	1,100	5	2,311
Exchange adjustments	-	-	1	-	1
At 31 December 2020	678	3,913	5,967	511	11,069
DEPRECIATION					
At 1 January 2020	41	176	1,100	71	1,388
Charge for the year on owned assets	18	97	801	186	1,102
Exchange adjustments	-	-	1	-	1
At 31 December 2020	59	273	1,902	257	2,491
NET BOOK VALUE					
At 31 December 2020	619	3,640	4,065	254	8,578
At 31 December 2019	598	2,570	3,766	435	7,369

The Company has no tangible assets at 31 December 2020 (31 December 2019: nil)

15. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies $000
COST OR VALUATION	
At 1 January 2020	**109,361**
At 31 December 2020	**109,361**

The directors believe that the carrying value of the investments is supported by their underlying net assets.

See note 16 for details of subsidiaries.

15. FIXED ASSET INVESTMENTS (CONTINUED)

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
H.I.G. Europe - Fibercore Bidco Limited	United Kingdom	Ordinary	100%
H.I.G. Europe - Fibercore Bidco 2 Limited	United Kingdom	Ordinary	100%
Fibercore Limited	United Kingdom	Ordinary	100%
AeroSense Technologies Holdings Limited	United Kingdom	Ordinary	100%
AeroSense Technologies Limited	United Kingdom	Ordinary	100%
Hitec Sensor Developments (Pvt) Limited	Sri Lanka	Ordinary	100%
Iruvis Limited	United Kingdom	Ordinary	100%
OpTek Limited	United Kingdom	Ordinary	100%
OpTek Systems Inc	United States of America	Ordinary	100%

H.I.G. Europe - Fibercore Bidco Limited, H.I.G. Europe - Fibercore Bidco 2 Limited and Fibercore Limited have the registered address of Fibercore House University Parkway, Southampton Science Park, SO16 7QQ.

AeroSense Technologies Holdings Limited and AeroSense Technologies Limited have the registered address of 1 Harrier Court, Exeter, EX5 2DR.

Hitec Sensor Developments (Pvt) Limited has the registered address of Ramuthugala Industrial Estate, Kadawatha, Sri Lanka.

Iruvis Limited and Optek Limited have the registered address of Unit 14 Blacklands Way, Abingdon Business Park, Oxfordshire, OX14 1DY.

OpTek Systems Inc has the registered address of 12 Pilgrim Road, Greenville, SC 29607, USA.

16. SUBSIDIARY UNDERTAKINGS (ADDITIONAL DETAILS)

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves $000	Profit/(Loss) $000
H.I.G Europe – Fibercore Bidco Limited	2,289	-
H.I.G Europe – Fibercore Bidco 2 Limited	693	(812)
Fibercore Limited	60,277	7,700
AeroSense Technologies Holdings Limited	-	-
AeroSense Technologies Limited	846	(116)
Iruvis Limited	1,828	(26)
OpTek Limited	6,645	1,312

Parent Company Guarantee

Subsidiaries of the parent companies established within the European Economic Area are exempt from an audit if guarantee is provided by the parent for the subsidiary's liabilities and the shareholders are unanimous agreement. The Group will be exempting all the eligible above subsidiary companies (those based in the UK) from an audit for the year ended 31 December 2020, under section 479A of the Companies Act 2006. All subsidiary companies have been fully consolidated into Rouse Acquistionco Limited's Group financial statements.

17. STOCKS

	Group 2020 $000	Group 2019 $000
Raw materials and consumables	**778**	1,037
Work in progress (goods to be sold)	**379**	845
Finished goods and goods for resale	**3,775**	2,633
	4,932	4,515

Company

The Company has no stock held at the end of the current year (2019: $nil).

18. DEBTORS

	Group 2020 $000	Group 2019 $000
Trade debtors	**6,170**	7,498
Amounts owed by group undertakings	**707**	-
Other debtors	**952**	122
Prepayments and accrued income	**618**	253
	8,447	7,873

Group
Trade debtors are stated after provision for impairment of $23,000 (2019: $52,000).

Amounts owed by intra-group companies are unsecured, interest free, have no fixed repayment date and are repayable on demand.

Company
The company has no receivable balance for the current year (2019: $nil).

19. CASH AND CASH EQUIVALENTS

	Group 2020 $000	Group 2019 $000
Cash at bank and in hand	**6,808**	7,805
	6,808	7,805

Company
The company has no cash balance in the current year (2019: $nil).

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 $000	Group 2019 $000	**Company 2020 $000**	Company 2019 $000
Trade creditors	**2,547**	749	**-**	-
Amounts owed to group undertakings	**-**	-	**26,337**	17,221
Amounts owed to other participating interests	**276**	474	**-**	-
Corporation tax	**847**	1,391	**-**	-
Other taxation and social security	**152**	187	**-**	-
Other creditors	**436**	25	**-**	-
Accruals and deferred income	**6,983**	11,910	**5,535**	10,287
	11,241	14,736	**31,872**	27,508

The amounts owed to group undertakings and intra-group companies are unsecured, have no fixed repayment date and interest is charged at 4%.

Accruals and deferred income includes $5,504,000 (2019:$10,287,000) relating to deferred consideration payable on acquisition of OpTek Group.

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2020 $000	Group 2019 $000
Term loan to Other Group Company	**1,045**	-
	1,045	-

Included in the accounts is a term loan to an Other Group Company. The loan is repayable in the accounts on demand after the date of one year from the date the loan is received. The maximum amount of the loan that would be repaid within the first 3 years shall not exceed 20% of the total loan value. Interest is being charged at a rate of 5%.

22. DEFERRED TAXATION

Group

	2020 $000
At beginning of year	**(1,216)**
Credited to consolidated income statement	**26**
Arising on business combinations	**-**
AT END OF YEAR	**(1,190)**

22. DEFERRED TAXATION (CONTINUED)

	Group 2020 $000	Group 2019 $000
Accelerated capital allowances	**(1,190)**	(1,216)
	(1,190)	(1,216)

23. PROVISIONS FOR OTHER LIABILITIES

Group

	Warranty provision $000	Lease restoration obligation $000	Contingent Consideration $000	Total $000
At 1 January 2020	187	816	5,888	6,891
Charged to profit or loss	(8)	37	-	29
Utilised in year	-	-	(5,504)	(5,504)
Foreign exchange movement	3	7	-	10
Released in year	-	-	(307)	(307)
AT 31 DECEMBER 2020	182	860	77	1,119

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 period

Lease restoration obligation

Provision is made for the estimated liabilities that will be incurred by the Group 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 an 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

This represents the current fair value of the amounts owed in relation to the acquisition of the distribution agreement from Acreo Swedish ICT AB ($77,000).

23. PROVISIONS FOR OTHER LIABILITIES (CONTINUED)

Company

	Contingent Consideration $000	Total $000
At 1 January 2020	**5,504**	**5,504**
Utilised in year	**(5,504)**	**(5,504)**
AT 31 DECEMBER 2020	**-**	**-**

Contingent Consideration

This represents the current fair value of the payments due to the previous shareholders of Aero Sense Technologies Holdings Limited ($577,000) and amounts owed to the former shareholders of the OpTek Group ($4,927,000) following its acquisition by the Group.

24. SHARE CAPITAL

	2020 $000	2019 $000
ALLOTTED, CALLED UP AND FULLY PAID		
70,792,645 (2019: 70,792,645) Ordinary A shares of $1.00 each	**70,793**	70,793

25. RESERVES

Capital contribution

The capital contribution reserve represents a payment made by a company under common control (Sensor Technology Topco Inc.) to the group as a reimbursement for amounts paid in respect of the share based payments plan.

26. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to $219,000 (2020: $194,000). Contributions totalling $24,000 (2019: $34,000) were payable to the fund at the reporting date and are included in creditors.

27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 $000	Group 2019 $000
Land and Buildings		
Not later than 1 year	**455**	455
Later than 1 year and not later than 5 years	**198**	653
	653	1,108

	Group 2020 $000	Group 2019 $000
Other		
Not later than 1 year	**94**	111
Later than 1 year and not later than 5 years	**174**	113
	268	224

Company
The Company holds no operating leases in the current year (2019: $nil).

28. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under section 33 of FRS 102 and has not reported details of transactions or balances with other wholly-owned group companies.

29. CONTROLLING PARTY

The Group's immediate parent is Humanetics Innovative Solutions Inc. The directors regard BEV Bidco 6 Limited to be the ultimate controlling party.