FURTHER AMENDED.

Rouse International Holdings Limited

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2023

REGISTERED NUMBER: 13906526 (England and Wales)

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS for the period ended 30 April 2023

COMPANY INFORMATION for the period ended 30 April 2023

DIRECTORS
P Raleigh
L R Minford
R A Ross-Macdonald
Y Tyson
S A Holder
R Devonshire
R D Mayers

COMPANY SECRETARY
E A Hardcastle

REGISTERED OFFICE
6th Floor
1-6 Lombard Street
London
EC3V 9AA

REGISTERED NUMBER
13906526 (England and Wales)

AUDITOR
BDO LLP
55 Baker Street
London
W1U 7EU

GROUP STRATEGIC REPORT for the period ended 30 April 2023

The directors present their strategic report for the period ended 30 April 2023. This report covers trading period of 9 months, from August 2022 to April 2023.

Review and Analysis of the business

Rouse International Holdings Limited was incorporated on 10 February 2022 (as Island Topco Limited) as the parent of a number of subsidiaries. In July 2022, one of those subsidiaries, Rouse International Holdings III Limited (then named Island Bidco Limited), acquired 100% of the shares in Rouse International Limited from Intellectual Property Services Investments LLP.

Following the acquisition in July 2022 of Rouse International Limited, Rouse International Holdings Limited became the ultimate parent and controlling entity of a number of subsidiaries ("Rouse") providing a full range of IP services from patent and trade mark protection and management, to commercialisation, legal advice, and anti-counterfeiting. Rouse's major focus is the markets of China, South East Asia, and the Middle East.

Rouse aims to deliver the professionalism and quality expected of a global service provider combined with the entrepreneurial flair for which Rouse has always had a reputation since its establishment in 1990. Rouse works predominantly with multinational clients from the UK, Europe, the US and Japan, who value its non-hierarchical and collaborative environment, many of whom are looking for Rouse to play a role closer to that of in-house counsel than external advisor.

Financial performance and future developments

Following the acquisition in July 2022, Rouse continues to focus on new market opportunities whilst also establishing a more comprehensive IP advisory proposition. Rouse believes this is unique for a firm of Rouse's nature operating in the markets Rouse is in. It is intended both to provide an additional stream of revenue as well as to feed the core services which the business will continue to offer.

Rouse has had a successful period with Rouse International Limited having another successful year in sustaining its market position in an uncertain UK and global environment. In December 2022 Rouse acquired Valea AB, a Sweden based patent focused business which added 57 employees located in Gothenburg, Stockholm and Malmo. Rouse International Limited also exited its operations in Russia during the year with minimal impact on revenue. Seven staff in Russia were made redundant in accordance with local laws and two transferred to Dubai. The impact of COVID 19 shutdowns and the subsequent reopening in China had an impact on our performance in the third quarter. High levels of infections affected many businesses in China, including Rouse. However, towards the end of the period, our China based business stabilized. The Directors regard Rouse International Holdings Limited's position at the period end, and prospects, to be satisfactory.

FY23 was a good period for Rouse, as this is the first period of Rouse International Holdings Limited being the parent of the group, the comparison is to the activities of Rouse International Limited Group which was acquired during the period. Including the Valea acquisition we delivered $72m of Client Revenue which is a 7% increase on Rouse International Limited Group's prior year performance (please note that comparisons are done for full year Group performance). There were no notable cost increases or changes outside of our expectations. The US dollar remained strong against many of the currencies of countries where we operate which resulted in foreign exchange gains. Our margins and EBITDA came in as planned during the annual Operating Plan. Underlying EBITDA and overall operational performance of the business stayed robust throughout the year. Project Island incurred substantial transaction fees and introduced loan note interest (both items are reflected in Operating and Financing Expenses in the financial statement). While underlying cash flow remains strong, the total cash balance reduced by $4m to $12m mainly due to transaction costs on the acquisition of Rouse International Limited and Valea.

The Rouse Group continues to generate the majority of revenue from fewer than 250 global clients. Typically, these clients buy multiple services, from multiple countries. The Group has onboarded a number of new clients, and a number of top 100 clients have significantly grown revenue over the period. At the same time certain longstanding clients have reduced their demand and/or - in some territories - switched to lower cost service providers for the reasons explained under "Global demand" in the risks section above. The Rouse Group expects to continue providing the same or closely related services to its clients while growing organically.

Companies Act Section 172 Statement

The Directors of Rouse International Holdings Limited, individually and as a board, believe that they have acted in good faith and that their decisions were most likely to promote the success of Rouse International Holdings Limited and of the Group for the benefit of its stakeholders as a whole (having regard to the stakeholders and matters set out in S172 (1) (a-f) of the Companies Act 2006) in the decisions taken in the period ended 30 April 2023. Actions are summarised in the table below.

GROUP STRATEGIC REPORT continued for the period ended 30 April 2023
Companies Act Section 172 Statement (continued)

Section 172 interests	Actions in the period
(a) the likely consequence of any decision in the long term	The acquisition of Rouse International Limited, and its subsidiaries, on 27 July 2022 included a detailed review of the long-term strategy of the Rouse business. The Board considers all decisions in the context of that strategy. In response to Covid-19, the Group put in place a Covid-19 task force and implemented measures intended to ensure, as far as possible, the viability of the business in view of the uncertainty arising from Covid-19. The task force was led by the CEO and COO, both Directors of the Group. Measures were put in place to maintain cash reserves so that employees and suppliers could continue to be paid. The operating plan for the year was amended to take account of the possible impact of Covid-19. The measures implemented were again relied on in late 2022 when Covid-19 lockdowns in China were significant and then removed completely. The continuation of the conflict in Ukraine in 2023 is expected to have an immaterial impact on the profitability of the Rouse group as the Russia Branch ceased providing client services at the end of May 2022. The Rouse Group had minimal exposure to clients based in Russia or otherwise linked to businesses or individuals targeted by sanctions. The Board monitored detailed business performance metrics each month including cash collections.
(b) the interests of the Group's employees	In response to Covid-19, the Group put in place a Covid-19 task force and implemented measures intended to ensure, as far as possible, the viability of the business in view of the uncertainty arising from Covid-19. The task force was led by the CEO and COO, both Directors of the Group. One of the resulting principles, which guided our response, was that we would prioritise keeping our valuable human resources. The Group has maintained the measures intended to ensure the viability of the business. Recognising the importance of its employees, the Group recruited a Chief People Officer to lead projects relating to them.
(c) the need to foster the Group's business relationships with suppliers, customers and others	The success of the Group relies on strong relationships with clients, suppliers, the wider intellectual property industry and with employees. The Group has a strong roster of loyal clients with a low churn rate. During the period, the Group continues to be recognised as a leader within the IP market, with numerous rankings for both operations and individuals in Chambers, Legal 500, WTR1000, IAM Patent 1000, Managing Intellectual Property, MIP IP Stars, MIP Top 250 Women in IP, China Business Law Awards and World IP Review. Strong relationships are maintained with suppliers, who in the case of law firms and IP agencies are often also clients, by maintaining positive cashflow enabling suppliers to be paid on time. The Group ensures that employees are kept up to date via regular communications including weekly newsletters and the Group's intranet. The Group continued to make significant investments in IT infrastructure during the year, further improving the ability of the business to continue to provide services to clients despite varying local Covid-19 restrictions. Due to increasing inflation, the Group is aware of the potential challenges faced by their suppliers, customers and staff.
(d) the impact of the Group's operations on the community and the environment	A review of the Group's ESG metrics was undertaken using the services of a third-party consultant in 2022. The Board approved priority actions for the Group to implement to further improve the Group's ESG metrics. ESG is regularly considered by the Board and the Group continues to be supported by the third-party consultant. The Group undertakes pro bono work, encourages volunteer days to support local charities and supports charities both directly through donations and indirectly through supporting staff activities and fund-raising events. The Group's employees provide services to clients from offices. The Group is conscious of the impact of its operations on the environment. There is limited opportunity for major reductions in that impact.

GROUP STRATEGIC REPORT continued for the period ended 30 April 2023
Companies Act Section 172 Statement (continued)

(e) the desirability of the Group maintaining a reputation for high standards of business conduct	There is a high level of awareness of the need to maintain high standards of business conduct across the Group. These are supported by a process to check new clients for sanctions, AML (Anti-Money Laundering), ABAC (Anti-Bribery and Corruption) and other risk as well as processes to check all new clients and matters for possible conflicts of interest. All employees are trained on the Group ABAC policy. The Audit & Risk Committee of the Board is responsible for oversight of the Group's internal controls, external audit and risk. The Committee reports regularly to the Board. The Group commenced a project to improve existing ABAC policies and procedures.
(f) the need to act fairly between the members of Rouse International Holdings Limited	Board meetings were held regularly during the period and planned up to a year in advance. The CEO and COO engage regularly with and provide quarterly updates to senior management in the business. External shareholders are represented on the Board.

Principal risks and uncertainties
Rouse faces many of the challenges which would be expected as a global business in a specific niche within the legal sector. These include:

- **Global demand.** Rouse's clients can and do adjust their spend when meeting reduced demand for their products and services in their key markets; this is heightened by the impact of COVID-19, the conflict in Ukraine and inflation. Rouse addresses this by being active in several countries (so reduced demand in one area may be offset by increased demand in another) and through an active business development programme to expand its roster of clients.
- **Technology.** In some service lines, particularly trade marks and patent filing, technology is playing an increasingly important role in the services mix. While these technology solutions cannot replace the need for professionally qualified attorneys, they are enabling parts of the value chain to be delivered more cost effectively, such as search and translation. Businesses that fail to adopt these technologies and build scale in core services will be unable to deliver the benefits to clients, the effect of which will be to put pressure on margin. Rouse has an advanced technology enablement strategy, and is already well progressed in its plans to scale core services through M&A.
- **Compliance.** As a UK headquartered business with many US and EU customers, Rouse must comply with various laws and regulations such as anti-bribery and anti-corruption laws in the UK and elsewhere. Chief Operating Officer along with General Counsel established our global suite of policies which are continuously monitored for effectiveness and updated as required. The group continues to invest significantly to ensure its compliance procedures and processes are market leading.
- **Exchange rates.** Customers of the Rouse Network are invoiced in US dollars. Operating costs of the local entities are mostly in local currencies. Some Group costs are in either US dollars or Pounds Sterling. Therefore, Rouse faces foreign exchange exposure including the risks of exchange rate fluctuations in emerging markets.
- **Complexity.** Operating as a business across more than 10 jurisdictions, and providing a combination of regulated and unregulated services, brings a high degree of complexity, exacerbated by frequently changing laws and regulations. To mitigate potential risk, a team has been reviewing and continues to review the structure of the businesses and to implement such reorganisations as may prove advisable.
- **Staffing.** In many territories Rouse continues to see strong demand and the real constraint on growth is to identify capable staff with the right attitude to join the Rouse Group. Rouse addresses this in each country with locally tailored recruitment plans.
- **Trade uncertainty.** Trade tensions increase the level of uncertainty for multinational companies wherever they operate. Rouse seeks to reduce its exposure through continuing efforts to broaden its client base, which has continued to grow healthily over course of the year.
- **Russia.** The continued conflict in Ukraine has an immaterial impact on the Rouse Group. The branch in Moscow of Rouse & Co. International (UK) Limited, a subsidiary of the Company, ceased to provide client services at the end of May 2022. The Rouse Group had minimal exposure to clients based in Russia or otherwise linked to businesses or individuals targeted by sanctions.

On behalf of the board of Rouse International Holdings Ltd.:

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L R Minford
Director
Date: 28 November 2023

REPORT OF THE DIRECTORS for the period ended 30 April 2023

The directors present their report with the financial statements of the Group for the period ended 30 April 2023.

Principal activities, significant changes and future developments

The principal activity of the Group is providing services in relation to the management, protection and exploitation of intellectual property throughout the world. Please refer to page 3 for further detail on significant changes in the year.

The consolidated financial statements comprise the financial statements of Rouse International Holdings Limited together with its subsidiary undertakings (the 'Group'). The subsidiary undertakings of Rouse International Holdings Limited are set out in note 10 to the financial statements.

The Company was incorporated on 10 February 2022. On 27 July 2022 Island Bidco Limited (subsequently renamed Rouse International Holdings III Limited) acquired 100% of the shares in Rouse International Limited from Intellectual Property Services Investments LLP. Since 27 July 2022, the direct parent of Rouse International Limited has been Rouse International Holdings III Limited and the ultimate parent and controlling entity has been Rouse International Holdings Limited.

Directors

These directors have held office during the period and to the date of this report:

L R Minford (appointed on 27 July 2022)
R A Ross-Macdonald (appointed on 27 July 2022)
Y Tyson (appointed on 27 July 2022)
R Devonshire (appointed on 10 February 2022)
P Raleigh (appointed on 27 July 2022)
S A Holder (appointed on 27 July 2022)
R D Mayers (appointed on 11 October 2022)
A Shanghavi (appointed on 10 February 2022 and resigned on 12 October 2022)

Engagement with employees and disabled employees

Rouse strives to provide engagement and consideration for all employees in its short- and long-term goals. Rouse has encouraged participation in its decision-making through regular team calls, briefings, and surveys; notably to gauge the attitude and concerns of employees with regards to returning to the office.

Applications for employment from disabled persons are given full consideration where the candidate's particular competence are consistent with meeting the requirements of the role. Opportunities are available to all for training, career development and promotion. Where an employee becomes disabled whilst employed by Rouse, reasonable effort is made to ensure opportunity for continued employment, training, career development and promotion is provided.

Going concern

The directors acknowledge the uncertainty that exists economically and commercially as a result of Covid-19, the conflict in Ukraine and inflation.

The directors have assessed the uncertainty arising from COVID-19, the conflict in Ukraine and inflation and consider the main risk to the Group is around cash flow and the ability to meet its debts and liabilities as they fall due. Rouse has implemented a long-term forecasting model including a sensitivity analysis. Sensitivity analysis has been conducted on the revenue and subsequent cash collections over this five-year period under several scenarios. As a result, there would have to be a more than 20% drop in revenue during this five-year period for Rouse's cash position to turn negative in year four and thereafter turn positive.

This situation is deemed unlikely. Rouse's focus has been upon long term client relationships and focusing upon clients during these uncertain times, whereby IP is still a necessary expense for large corporations. Rouse maintains a large, diverse client base through which the focus is the markets of China, South East Asia and the Middle East, all of which are managing the crisis relatively well.

The directors have a reasonable expectation that the Group has adequate financial resources to meet its operational needs for the foreseeable future and therefore the going concern basis has been adopted in preparing the financial statements.

Statement of disclosure of information to the Auditor

So far as the directors are aware, there is no relevant audit information of which Rouse International Holdings Limited's auditors are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the RIHL's auditors are aware of that information.

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

REPORT OF THE DIECTORS for the period ended 30 April 2023 (continued)
Statement of Directors' responsibilities (continued)
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 UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with UK adopted international accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board of Rouse International Holdings Ltd.:

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L R Minford
Director
Date: 28 November 2023

STREAMLINED ENERGY AND CARBON REPORT for the period ended 30 April 2023

The Directors present their Streamlined Energy and Carbon Report for the period ended 30 April 2023.

Background
Rouse places great importance to its duty to manage and minimise its carbon footprint.

During the reporting period Rouse allowed staff based in the London office at Basinghall Street to work flexibly from home. This provides employees with a balanced working week and reduces Rouse's indirect carbon footprint caused by more frequent commuting into the office.

Metrics
Rouse has taken the decision to monitor its performance via the intensity ratio of CO2 per employee which is a widely accepted metric for professional service firms. During the reporting period the Carbon Intensity ratio, calculated as tonnes CO2 / FTE employees was 2.33. For prudence the FTE employees in this calculation has been replaced by the working capacity of the office. The total carbon footprint was 95.37 tonnes CO2e comprising of buildings emissions footprint of 2.0 tonnes of CO2e and business flights and hotel stays of 93.37 tonnes of CO2e. These metrics were calculated using DEFRA as the conversion factor data source.

Business travel
The Group's total footprint for business flights and hotel stays for the reporting period was 93.37 tonnes of CO2e.

The Directors and a number of key management are based in the UK and require interaction with overseas teams. Since the COVID-19 pandemic greater emphasis has been placed on video conferencing rather than face-to-face meetings requiring overseas flights. The approach has also been applied to client meetings wherever possible.

Electricity consumption
The UK premises is a managed office, and electricity consumption specific to the premises is not available. We have sourced information from the landlord for the reporting year, and the estimated electricity consumption for the reporting year was 9,239 kWh, equivalent to 1.8 tonnes of CO2e. The Directors are aware this does not include additional energy consumed by those employees working from home during the reporting year, hence the amendment to the Carbon Intensity ratio calculation. All electricity used in the UK office is sourced by the landlord from renewable energy sources. The office lighting operates a PIR sensor system which ensures that electricity is not wasted when the office, or areas of the office are vacant. Reminders about shutting down computers are regularly communicated, and the majority of kitchen appliances are provided by the landlord in shared service areas. There are two multifunctional devices which are operated using eco/sleep mode, and management plan to remove one of these devices which will save on energy consumption. Air conditioning in the building is not active over the weekend. The UK office also operates an offsite data centre which uses on average 9,239 kWh per annum, equivalent to 1.8 tonnes of CO2e.

Waste disposal and recycling
The office building has three waste streams namely: general, dry mixed recycling and food waste for which coloured bags, and biodegradable food bags are provided. The building is serviced by waste collections, for which all waste is collected from site five days a week, and then recycled accordingly once collected. Confidential paper waste is removed by a contractor for shredding and is subsequently recycled.

Use of sustainable materials
Rouse discourages the use of single-use plastics and has done so for several years. Specifically, single use cups and water coolers are not offered at the office, and instead a drinking water tap, and glassware is available.

We encourage all staff to operate as 'paperless' as possible with all documents remaining as a soft-copy wherever possible.

Approval
The Streamlined Energy and Carbon Report was approved by the directors on 24 November 2023.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ROUSE INTERNATIONAL HOLDINGS LIMITED

Opinion on the financial statements

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 30 April 2023 and of its loss for the period then ended;
- have been properly prepared in accordance with UK adopted international accounting standards;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Rouse International Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the period ended 30 April 2023 which comprise the Consolidated Income Statement and Other Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flow and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 or 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 Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ROUSE INTERNATIONAL HOLDINGS LIMITED (continued)

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Report of the Directors' for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Report of the Directors' have been prepared in accordance with applicable legal requirements.

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 Strategic report or the Report of the Directors'.

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 Statement of Directors' Responsibilities, 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.

Auditor's 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 auditor's 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 financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Parent Company and its subsidiaries. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (UK adopted international accounting standards and the Companies Act 2006), regulations impacting labour regulations and tax in the jurisdictions that it operates in.
- We understood how the Group and Parent Company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes and any material legal matters detected through our audit procedures.
- We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud. We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Group and Parent Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ROUSE INTERNATIONAL HOLDINGS LIMITED (continued)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud;
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the area's most susceptible to fraud to be management override of controls, improper revenue recognition due to cut-off errors, inaccurate calculation of goodwill, key areas of estimation uncertainty or judgment, for example; estimation of accrued income relating to work performed in the year and estimation of the recoverable balance of trade receivables. The following audit procedures were performed;

- We tested a sample of journal entries which met a defined risk criteria, by agreeing to supporting documentation;
- We reviewed year-end accrued income by verifying subsequent invoices, bank receipts, and timecards to ensure accurate revenue recognition within the correct financial period;
- We reviewed the listing of long aged debts and performed audit procedures which included corroborating with post year end bank receipts and appropriate correspondence where balances remained unbilled to justify the recoverability. We further assessed the need for bad debt provisioning based on the overdue debts and compared this to the bad debt provision in the books;
- We obtained the goodwill calculation, verified the consideration included in the share purchase agreement, traced amounts to bank statements, verified the net asset values used for the goodwill calculation, and ensured that the disclosure is compliant with the standard requirement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities 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 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ben Courts

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Benjamin Courts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 1 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME for the period ended 30 April 2023

	Note	10 Feb 2022 - 30 April 2023 $ '000
Revenue	3	72,186
Operating expenses		(71,727)
OPERATING PROFIT		459
Finance costs	6	(6,875)
Finance income	6	8
LOSS BEFORE TAXATION		(6,408)
Taxation	7	1,153
LOSS FOR THE PERIOD		(5,255)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAXATION		547
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		(4,708)

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 April 2023

	Note	30 April 2023 $ '000
Assets		
Non-current assets		
Property, plant and equipment	9	1,039
Right-of-use assets	17	5,984
Intangible assets	12	125,358
Deferred tax assets	8	1,636
		134,017
Current assets		
Trade and other receivables	14	23,994
Contract assets	14	4,140
Income tax receivable		152
Cash and bank balances		13,992
		42,278
Total assets		176,295
Equity		
Shareholders' equity		
Called up share capital	18	8
Share premium account	18	1,107
Retained earnings		(4,708)
		(3,593)
Liabilities		
Current liabilities		
Trade and other payables	15	15,357
Loans and borrowings	16	2,172
Contract liabilities	3	3,030
Lease liabilities	17	3,706
		24,265
Non-current liabilities		
Lease liabilities	17	2,128
Long term borrowing	13	141,837
Deferred tax liabilities	8	11,658
Total liabilities		179,888
Total equity and liabilities		176,295

The financial statements were approved by the Board of Directors on 24 November 2023 and were signed on its behalf by:

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L R Minford
Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION as at 30 April 2023

	Note	30 April 2023 $ '000
Assets		
Non-current assets		
Investments	10	380
Loan notes - NCA	13	295
		675
Current assets		
Trade and other receivables	14	491
		491
Total assets		1,166
Equity		
Shareholders' equity		
Called up share capital	18	8
Share premium account	18	1,107
Retained earnings		30
		1,145
Liabilities		
Current liabilities		
Trade and other payables	15	21
Total liabilities		21
Total equity and liabilities		1,166

The Company has taken advantage of the exemption under the Companies Act 2006 not to present its own income statement in these financial statements. The profit of the company for the year was $30k.

The financial statements were approved by the Board of Directors on 24 November 2023 and were signed on its behalf by:

L R Minford
Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period ended 30 April 2023

	Called up share capital $ '000	Retained earnings $ '000	Share premium $ '000	Total equity $ '000
Balance at 10 Feb 2022	-	-	-	-
Changes in equity				
Shares issued on acquisition of Rouse International Ltd (note 12/18)	8	-	802	810
Shares issued in the period (note 18)	-	-	305	305
Total comprehensive expense	-	(4,708)	-	(4,708)
Balance at April 2023	8	(4,708)	1,107	(3,593)

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY for the period ended 30 April 2023

	Called up share capital $ '000	Retained earnings $ '000	Share premium $ '000	Total equity $ '000
Balance at 10 Feb 2022	-	-	-	-
Changes in equity				
Shares issued on acquisition of Rouse International Ltd. (note 12/18)	8	-	802	810
Shares issued in the period (note 18)	-	-	305	305
Total comprehensive income	-	30	-	30
Balance at April 2023	8	30	1,107	1,145

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOW as at 30 April 2023

	2023 $'000
Cash flows from operating activities	
Loss before taxation	(6,408)
Adjustments for:	
Finance costs	6,875
Finance income	(8)
Foreign exchange (gain)/loss	(137)
Amortisation of intangibles	2,577
Depreciation	482
Amortisation of right of use asset	2,891
Cash from operations before working capital changes	
Decrease in trade and other receivables	17,340
(Decrease) in trade and other payables	(21,462)
Cash generated from operations	
Income taxes (paid)	(683)
Net cash flows from operating activities	1,467
Investing activities	
Purchase of property, plant and equipment	(193)
Acquisition of subsidiary undertakings	(2,140)
Net cash acquired with acquisition of subsidiary undertakings	17,664
Interest received	8
Net cash from investing activities	15,339
Financing activities	
Repayments of loans and borrowings	(34)
Payments of principal on lease liabilities	(2,747)
Interest paid on lease liabilities	(174)
Net cash flows from financing activities	(2,955)
Increase in cash and cash equivalents	13,851
Cash and cash equivalents at beginning of year	-
Exchange (losses)/gains on cash and cash equivalents	141
Cash and cash equivalents at end of year	**13,992**

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOW as at 30 April 2023 (continued)
Changes in liabilities arising from financing activities including changes arising from cash flows and non-cash charges

	Non-current lease liabilities	Current lease liabilities	Total
	$'000	$'000	$'000
At 10 Feb 2022	-	-	-
Cash flows			
Payment of lease liabilities	-	(2,921)	(2,921)
Non-cash flows			
Additions	290	1,328	1,618
Transfer of assets (note 18)	814	3,803	4,617
Modifications	1,201	1,172	2,373
Interest accrued	-	174	174
Exchange differences	-	(27)	(27)
Loans and borrowings classified as non-current	(177)	177	-
At 30 April 2023	**2,128**	**3,706**	**5,834**

The notes form part of these financial statements

COMPANY STATEMENT OF CASH FLOW as at 30 April 2023

	2023 $'000
Cash flows from operating activities	
Profit before taxation	30
Adjustments for:	
Finance costs	-
Finance income	(21)
Depreciation	-
Amortisation of right of use asset	-
Cash from operations before working capital changes	
Increase in trade and other receivables	(40)
Increase in trade and other payables	31
Cash generated from operations	
Interest paid	-
Income taxes paid	-
Net cash flows from operating activities	-
Investing activities	
Purchase of property, plant and equipment	-
Dividend received	-
Net cash from investing activities	-
Financing activities	
Dividend paid	-
Payments of principal on lease liabilities	-
Interest paid on lease liabilities	-
Net cash from financing activities	-
(Decrease)/increase in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Exchange (losses)/gains on cash and cash equivalents	-
Cash and cash equivalents at end of year	-

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023

1. **Accounting policies**

1.1 Basis of preparation

This section contains the Group's significant accounting policies that relate to the financial statements as a whole. Significant accounting policies specific to one accounting area are included within the note dealing with that accounting area. Accounting policies relating to non-material items are not included in these financial statements.

Rouse International Holdings Limited is a UK private limited company registered in England and Wales, the company number and registered office can be found on the general information page.

This section also refers to new UK adopted international accounting standards, amendments and interpretations and their expected impact, if any, on the performance of the Group.

These financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with UK adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the chosen accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed on page 25.

The results and financial position of each subsidiary undertaking are expressed in US Dollar which is not the functional currency of the Company but is the presentation currency for the financial statements. The presentational currency differs to provide a universal currency rate across the Group determined by the most widely used currency for billing clients.

The level of rounding in the financial statements is to the nearest thousand US Dollar.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of profit or loss in these financial statements. The result is disclosed at the foot of Rouse International Holdings Limited's statement of financial position.

1.2 Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable UK adopted international accounting standards. The financial statements are prepared on a going concern basis and the accounting policies have been consistently applied for all years presented.

1.3 Basis of consolidation

The financial statements consolidate the results and financial position of the Company and all its subsidiary undertakings from 27 July 2022, when Island Bidco Limited (subsequently renamed Rouse International Holdings III Limited) bought 100% of the shareholding in Rouse International Limited.

Subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Uniform accounting policies have been applied across the Group.

1.4 Going concern

The directors acknowledge the uncertainty that exists economically and commercially as a result of Covid-19, the conflict in Ukraine and inflation.

The directors have assessed the uncertainty arising from COVID-19, the conflict in Ukraine and inflation and considers the main risk to the Group is around cash flow and the ability to meet its debts and liabilities as they fall due. Rouse has implemented a new long-term forecasting model including a sensitivity analysis. Sensitivity analysis has been conducted on the revenue and subsequent cash collections over this five-year period under several scenarios. As a result, there would have to be a more than 20% drop in revenue during this five-year period for Rouse's cash position to turn negative in year four and thereafter turn positive.

This situation is deemed unlikely. Rouse's focus has been upon long term client relationships and focusing upon clients during these uncertain times, whereby IP is still a necessary expense for large corporations. Rouse maintains a large, diverse client base through which the focus is the markets of China, South East Asia and the Middle East, all of which are managing the crisis relatively well.

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

1. **Accounting policies (continued)**

1.4 Going concern (continued)

The directors have a reasonable expectation that Rouse International Holdings Limited has adequate financial resources to meet its operational needs for the foreseeable future and therefore the going concern basis has been adopted in preparing the financial statements.

1.5 Changes in accounting policies

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early.

The following amendments are effective for the period beginning 1 May 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- Lease Liability in a Sale-and-Leaseback (Amendments to IFRS 16, Leases)
- Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants (Amendments to IAS 1, Presentation of Financial Statements)
- Supplier Finance Arrangements (Amendment to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures)

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

Rouse is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability. The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

1.6 Revenue recognition

Where the outcome of a transaction can be estimated reliably, revenue associated with the transaction is recognized in the P&L by reference to the stage of completion at the end of each accounting period, provided that a right to consideration has been obtained through performance. Consideration accrued as contract activity progresses by reference to the value of work performed. As Rouse continuously bills clients for services performed, at the end of each month (accounting period) Rouse accounts for revenue earned but not yet billed, arising due to a time gap between service delivery and billing.

Work is priced and billed either on a fixed fee basis or charge-by-the-hour (billable) basis. All prices, commercial arrangements and payment terms are agreed upfront with each client and are underpinned by Rouse's Terms of Business creating enforceable rights and obligations. Rouse will also bill each client any disbursements costs which include payments made or incurred by Rouse on client's behalf.

Under fixed fee arrangements, these are priced using existing service list and can be adjusted to each clients' needs. This is most commonly used in Trademarks and Patents service lines where a client is paying for a defined service and each service is billed in full in accordance with the agreed price as work is performed.

Revenue under fixed fee revenue stream represents the fair value of IP services provided as Rouse fulfils its obligation to the client. *Once the value-add work by Rouse fee earner has been done, the revenue is deemed to be earned.*

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

1. Accounting policies (continued)

1.6 Revenue recognition (continued)

Under billable hours arrangements, these are priced using hourly rate cards for each country of operation with rates varying by fee earners' level of expertise. This is most commonly used in Legal service line where Rouse may work on various dispute resolution matters which will be time based. Work is subsequently billed to each client monthly as time/costs are incurred, unless otherwise agreed with a client.

Revenue under billable hours revenue stream represents the fair value of IP services provided, including the stage completion of ongoing services. Stage of completion is measured by reference of labour hours incurred to date less any amounts not considered recoverable.

Retainer revenue is recognised as work is performed during each month and adjusted for over/under performance against the retainer value attributable to each accounting period.

Unbilled revenue is included in trade and other receivables as 'amounts recoverable on contract'. Amounts billed on account in excess of the amounts recognised as revenue are included in 'Trade and other payables'.

Costs incurred to fulfil contracts represent out of pocket expenses incurred in respect of assignments and expected to be recovered from clients. A provision is established based upon an analysis of post period end billing patterns to determine whether the Group shall be able to collect all costs incurred to fulfil contracts.

A contract asset is recognised if the Group recorded revenue for fulfilment of a contractual performance obligation before the customer has been billed. A contract liability is recognised when the customer has paid consideration or where a receivable from the customer is due before the Group fulfilled a contractual performance obligation and thus recognised revenue.

Payment terms are 30 days unless agreed otherwise with the client.

1.7 Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

1.8 Impairment of investments in subsidiaries and non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 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 (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each financial year end.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the investee's net assets including goodwill.

1.9 Tax

The tax expense for the year comprises current tax and deferred tax.

The current income tax charge is calculated on the basis of the laws enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax is recognised in respect of all material timing differences (including fair value adjustments) that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

1. **Accounting policies (continued)**

1.9 Tax (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods on which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is measured on a non-discounted basis.

Unrelieved tax losses and other deferred tax are recognised only to the extent that, on the basis of all evidence, it can be regarded as more likely than not there will be suitable taxable profits from which future reversal of the underlying timing difference can be deducted.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the start of the month in which they are incurred. All differences are taken to the statement of profit or loss.

Fixed asset investments denominated in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions except when financed by borrowings denominated in foreign currencies when both the investments and the borrowings are re-translated to US dollars at the rates of exchange ruling at the end of the period.

1.11 Employee benefit costs

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented within other creditors in the statement of financial position.

The UK subsidiaries of Rouse International Limited operate a defined contribution pension scheme, and contributions payable to the pension scheme are charged to the statement of profit or loss in the year to which they relate.

1.12 Leases

Leases, consisting solely of property leases, are accounted for by recognising a right-of-use asset and a lease liability. A weighted average lessee incremental borrowing rate is applied to lease liabilities and recognised in the statement of financial position at the date of initial acquisition.

The practical expedients applied are:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing and impairment review – there were no onerous contracts as at 1 May 2020;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- based on class of underlying asset, as lessee elected to combine each separate lease component and any associated non-lease components to account for them as a single lease component; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The right-of-use-asset has initially been measured at the amount of the lease liability, increased for lease payments made at or before commencement of the lease. Right-of-use assets are subsequently amortised on a straight line basis over the remaining term of the lease, or over the remaining economic life of the asset if this is judged to be shorter than the lease term. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate applied utilising the BOE base rate plus a percentage based upon the Rouse's potential borrowing rate.

Right-of-use assets are reviewed regularly to ensure that the useful economic life of the asset is still appropriate based on the usage of the asset. Where the asset has reduced in value the Group considers the situation on an asset-by-asset basis and either treats the reduction as an acceleration of depreciation or as an impairment under IAS 36 'Impairment of Assets'. An acceleration of depreciation occurs in those cases where there is no opportunity or intention to utilise the asset before the end of the lease. An impairment is recognised in those few cases where the current value-in-use of the asset is significantly less than the carrying amount, but there is both an intention and the sufficient timescale to enable to estimates used in assessing the impairment to change.

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

1. Accounting policies (continued)

1.12 Leases (continued)

When there is a lease modification, the carrying amount of the lease liability is adjusted to reflect the payments to make over the revised term, which are discounted using a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use-asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use-asset is adjusted to zero, any further reduction is recognised in profit or loss.

Where Rouse acts as a lessor by sub-letting specific leases, each such lease is classed either as a finance lease, if the sub-let transfers substantially all the risks and rewards of the underlying asset to the lessee, or an operating lease, if not. Rouse endeavours to ensure that any sub-lease covers the full remaining term of the lease.

1.13 Goodwill and other intangibles

Goodwill arising on acquisitions represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill arising on acquisitions is capitalised and tested annually for impairment and an impairment loss would be recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Customer relationships

Customer relationships are defined as having finite useful lives and the cost is amortised on a straight-line basis over the estimated useful life (15 years). The expense is taken to the income statement.

Brand

Brand is defined as having finite useful lives and the cost is amortised on a straight-line basis over the estimated useful life (10 years). The expense is taken to the income statement.

1.14 Property, plant and equipment

Property, plant and equipment is stated at historic cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment, less residual value, is written off by equal annual instalments over the expected useful economic lives of the assets concerned. Cost includes expenditure that is directly attributable to the acquisition of the asset and any expected cost of reinstatement that has been provided. The depreciation rates applied to property, plant and equipment are as follows:

- Leasehold improvements – over the term of the lease or 20 – 33% straight line basis
- Office furniture & equipment – 20 – 33% straight line basis
- Computer equipment – 33 – 50% straight line basis
- Motor vehicles – 25% straight line basis

If there is any indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

1.15 Amounts recoverable on contract

Amounts recoverable on contract is determined on the actual time cost incurred and is written down to recoverable amounts.

1.16 Receivables

Receivables, including trade and other receivables and amount due from Group companies, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group or Rouse International Limited will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of profit or loss.

Amounts owed by or to Group undertakings denominated in foreign currencies are translated in accordance with the foreign currencies accounting policy. Upon consolidation, amounts owed by or to Group undertakings are eliminated.

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

1. **Accounting policies (continued)**

1.17 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less.

1.18 Payables

Payables, including trade and other payables and amount due to Group companies, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. They are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability at least 12 months after the end of reporting period.

2. **Significant accounting estimates and judgements**

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. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

This applies to work in progress, bad debt and revenue recognition where further details of the estimates and judgements applied can be found in the relevant accounting policy.

Revenue from contracts with customers

Management have considered the criteria for the recognition of revenue from the supply of services, in particular, the timings of the obligations to the client and the associated billing behaviour. In calculating revenue from service contracts, the Group makes certain estimates as to the stage of completion of those contracts. In doing so the Group estimates the remaining time and external costs to be incurred in completing contracts and the clients' willingness and ability to pay for the service provided. These estimates depend upon the outcome of future events and may need to be revised as circumstances change. The performance obligations are determined at the point that the Group has no further control. Trade mark and patent performance obligations are determined to be a point in time being at the filing of the application.

Certain service contracts, notably those in Commercial and Dispute Resolution, require a greater degree of estimation that others, specifically those contracts that:

- are long-term, spanning a number of accounting periods, thereby extending the period over which estimation is required;
- have fee arrangements other than a simple time and materials basis, requiring an estimation as to percentage completion over time.

Impairment loss for amounts recoverable on contracts is made based on the estimated net realisable value of amounts recoverable on contracts. The assessment of the impairment amount involves judgment and estimates. Where the actual outcome in the future is different from the original estimate, such difference will impact the carrying value of amounts recoverable on contracts and impairment loss charge/write-back in the period in which such estimate has been changed.

Impairment loss under IFRS 9

The Group applies the IFRS 9 simplified approach to measuring expected losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected loss rates are based on the Group's historical credit losses and are then adjusted for current and forward-looking information that is available to the Group.

Impairment of goodwill and other intangible assets

The Group determines whether goodwill and other intangible assets are impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value may not be recoverable. This requires an estimation of the recoverable amount of the cash-generating unit to which the assets are allocated. Estimating the value-in-use requires the Group to make an estimate of the future cash flows from the cash-generating unit and also utilising a suitable discount rate in order to calculate the present value of those cash flows. More details of the carrying value and impairment review are given in note 12.

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

3. Revenue

Revenue from contracts with customers

Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following tables which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date.

	30 April 2023 $'000
Geographical markets	
Americas	396
Europe	6,829
Rest of the World	64,961
Total revenue from contracts with customers	72,186

	30 April 2023 $ '000
Service line	
Trade marks	32,915
Patents	14,746
Legal	13,440
Enforcement	8,405
Digital and commercial services	1,447
Consultancy	1,233
Total revenue from contracts with customers	72,186

Contract balances

Contract asset balances outstanding are set out in note 14. Contract liability balances outstanding are as follows:

	Group 30 April 2023 $'000	Company 30 April 2023 $'000
At 10 February 2022	-	-
Acquisition of assets on 27 July 2022	3,730	-
Amounts included in contract liabilities that was recognised as revenue during the year	(1,677)	-
Cash received in advance of performance and not recognised as revenue during the year	977	-
At 30 April 2023	3,030	-

4. Employees

The average number of staff of the Group during the period were as follows:

	Group 30 April 2023
Fee earners	355
Support staff	145
	500

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

4. **Employees (continued)**

The aggregate employment costs of staff are set out below. These costs exclude amounts in respect of directors.

	Group 30 April 2023 $ '000
Staff costs (excluding directors) consist of:	
Wages and salaries	19,956
Social security costs	3,157
Other pension costs	575
Ex-gratia payment on loss of office	163
	23,851

	Group 30 April 2023 $ '000
Directors' remuneration	1,070
Directors' pension contribution	19

The total remuneration paid to key management personnel excluding directors was $937K. During the period, the highest paid director received a total of $267K.

5. **Group operating profit**

Group operating profit is stated after charging/ (crediting):	Group 30 April 2023 $'000
Depreciation of property, plant and equipment (note 9)	482
Amortisation of right of use asset (note 17)	2,891
Gain arising on foreign exchange	54
Amortisation of intangible assets	2,577
Provision for impairment of other related parties	18
Provision for impairment of receivables from third-party contracts including costs incurred	449
Services provided by and fees payable to the Group's auditors:	
Audit of the RIHL and consolidated financial statements	239
Audit of the Group's subsidiaries pursuant to legislation	129
Other taxation services	42
	410

6. **Finance costs / (income)**

	Group 30 April 2023 $ '000
Finance expense:	
Lease liability interest	174
Loan note interest	6,654
Bank loans and overdraft interest	47
Total finance charges	6,875
Finance income:	
Short term deposits and investments	8
Net finance charges	6,867

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

7. **Taxation**

Corporation tax arises as follows:

	Group 30 April 2023 $'000
Current tax:	
UK corporation tax	1
Foreign tax payable by overseas entities	648
Deferred tax movements (see note 8)	(1,802)
Total tax expense	(1,153)
Factors affecting the tax charge for the period:	
Loss on ordinary activities before taxation	(6,408)
Loss on ordinary activities before taxation multiplied by the rate of corporation tax in the UK of 25% (2023 effective rate 19.5%) (2022 – 19%)	(1,250)
Impact of items not deductible for tax purposes	2,147
Amortisation on intangible asset	(489)
Difference between current and deferred tax rates	(430)
Other short term timing differences	94
Differing rates of tax on overseas earnings	(653)
Corporate interest restriction	731
Foreign profits not subject to local tax	(1,160)
Trading losses carried forward	(22)
Tax relating to the prior year	(106)
Prior year adjustment	20
Tax adjustment upon transfer of assets	(35)
Total tax expense	(1,153)

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

8. Deferred tax

The movements in the Group's deferred tax assets and liabilities during the period were as follows:

	Group 30 April 2023 $'000
Balance of deferred tax assets on acquisition of subsidiary	346
Accelerated capital allowances	2
Employee benefits	10
Amortisation on intangible asset	655
Taxable losses	1,145
Other timing differences	1
Business combination intangible asset	(12,302)
Transfer of assets	125
Foreign exchange	(3)
Balance of deferred tax at the end of the period	(10,022)

Deferred tax analysis:

	Group 30 April 2023 $'000
Accelerated capital allowances at acquisition	(43)
Employee benefits	305
Transfer of assets	112
Intangible asset	(11,658)
Taxable losses	1,153
Other timing differences	109
Net deferred tax liabilities	(10,022)

Deferred tax are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At 30 April 2023, deferred tax comprises of temporary differences between capital allowances and depreciation, employee benefits, foreign exchange, brand and customer relationships and other timing differences.

Deferred tax is measured at the tax rates that are substantively enacted at the reporting date and expected to apply in the years in which the temporary differences reverse.

Deferred tax is measured using a tax rate of 25% for the year to 30 April 2023.

There were brought forward group losses not provided of $2,082k and carried forward group losses not provided of $2,390k.

As at 30 April 2023 there was no deferred tax in respect of the Company.

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

9. Property, plant and equipment

Group	Leasehold improvements $'000	Office furniture & equipment $'000	Computer equipment $'000	Total $'000
Cost				
At 10 Feb 2022	-	-	-	-
Acquisition of subsidiary (note 12)	520	82	580	1,182
Additions	14	40	274	328
Disposal	-	-	(5)	(5)
Exchange differences	4	(2)	(52)	(50)
At 30 April 2023	538	120	797	1,455
Accumulated depreciation				
At 10 Feb 2022	-	-	-	-
Charge for year	203	19	260	482
Disposal	-	-	(5)	(5)
Exchange differences	(6)	(5)	(50)	(61)
At 30 April 2023	197	14	205	416
Net book value				
At 30 April 2023	341	106	592	1,039

10. Investments

On 27 July 2022, Rouse International Holdings III Limited acquired 100% of the shares in Rouse International Limited and thereby obtained control of the Rouse International Limited Group. The reason for the purchase was for corporate restructuring. The net asset value as at 27 July 2022 of the Rouse International Limited Group was US$35.2m. As part of the corporate restructuring, Rouse International Holdings Limited acquired 100% of the shares in Rouse International Holdings I Limited.

	Company 30 April 2023 $'000
Shares in group undertakings	
At 10 Feb 2022	-
Additions	380
At end of year	380

The indirect and direct subsidiaries of Rouse International Holdings Limited following the acquisition of Rouse International Limited, company restructure and acquisition of Valea AB are as follows:

Subsidiary undertaking	Direct or Indirect	Country of incorporation, registration and operation	Proportion of voting rights and ordinary share capital held	Nature of business
Registered at 4th Floor, City Tower, 40 Basinghall Street, London, EC2V 5DE, UK:				
Rouse International Holdings I Limited	Direct	England and Wales	100%	Consultancy services
Rouse International Holdings II Limited	Indirect	England and Wales	100%	Consultancy services
Rouse International Holdings III Limited	Indirect	England and Wales	100%	Consultancy services
Rouse International Nominee Limited	Indirect	England and Wales	100%	Consultancy services
Rouse International Limited	Indirect	England and Wales	100%	Consultancy services
Rouse & Co International Limited	Indirect	England and Wales	100%	Consultancy services
Rouse & Co International (UK) Limited	Indirect	England and Wales	100%	Consultancy services
Registered at Room 26th Floors, Tesbury Centre, 28 Queen's Road East, Wan Chai, Hong Kong:				
Rouse & Co International (Overseas) Limited	Indirect	Hong Kong	100%	Consultancy services
Registered at Pondok Indah Office Tower 2, 7th Floor, Jl. Sultan Iskandar Muda, Kav V-TA, Pondok Indah, Jakarta:				
PT Rouse Consulting International	Indirect	Indonesia	100%	Consultancy services

Continued:..

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

10. Investments (continued)

Registered at Unit 6E 04-07, 6th Floor The PARQ 88 Ratchadaphisek Road, Khlong Toei Sub-District, Khlong Thoei District, Bangkok, Thailand:				
Rouse & Co International (Thailand) Limited	Indirect	Thailand	100%*	Consultancy services
Registered at Room 2701, Park Place, 101 Nanjing Road (West), Shanghai 200040, China:				
Rouse Consultancy (Shanghai) Limited	Indirect	China	100%	Consultancy services
Registered at Suite 1002-B Fort Legend Towers, 3rd Avenue Corner, 31st Street, Bonifacio Global City, Taguig, Philippines:				
Rouse & Co International Philippines Inc.	Indirect	Philippines	100%	Non-trading
Registered at No. 23, Unit 43 E2 Level 3, Street 110A, Sangkat Teuk Thla, Khan Sen Sok, Phnom Penh 12102, Cambodia:				
Rouse & Co (Cambodia) Co Ltd	Indirect	Cambodia	100%	Consultancy services
Registered at Office 201, Albion Springs, Main Road, Rondebosch, Cape Town 7700, South Africa:				
Rouse Africa Pty Ltd	Indirect	South Africa	100%	Consultancy services
Registered at Room 1207, No. West 1138, Zhongshan Avenue, Tianhe District, Guangzhou, Guangdong 511400, China:				
Guangzhou Weizhi Technology Company Ltd	Indirect	China	100%	Consultancy services
Registered at Vasagatan Waterfront Building, Klarabergsviadukten 63, Stockholm, Sweden:				
Rouse AB	Indirect	Sweden	100%	Consultancy services
Registered at Offices 530-531. Namaa Building, 5th Floor, Emtedad Ramses, 6th Disrtict, Nasr City, Cairo, Egypt				
Rouse Egypt Intellectual Property	Indirect	Egypt	100%	Consultancy services
Registered at Unit D. 12th Floor. No. 8 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong				
Tinmax Limited	Indirect	Hong Kong	100%	Consultancy services
Registered at unit Lilla Bommen 3 A Box 1098, 405 23 Göteborg, Sweden				
Valea AB	Indirect	Sweden	100%	Consultancy services

There are subsidiaries which have not been included within the consolidated financial statements due to the immaterial values and the dormant status of the entities.

The Group owns 11% of the issued share capital in Inngot Limited, a Company registered at Urban Village, 221 High Street, Swansea, Wales SA1 1NW, UK under number 0646697. The investment was fully impaired when Rouse International Holdings III Limited acquired the Rouse Group after a 5-year discounted cash flow forecast review was performed in the prior financial year.

Rouse International Holdings I Limited, Rouse International Holdings II Limited, Rouse International Holdings III Limited, Rouse International Nominee Limited, Rouse International Limited, Rouse & Co International Limited, and Rouse & Co International (UK) Limited were exempted from the requirement to a statutory audit in the year taking the s479A exemption from audit through issuance of parental guarantee by Rouse International Holdings limited.

*As at the end of the reporting period, Rouse owned 48% of equity interest in Rouse & Co. International (Thailand) Ltd. Management of Rouse has taken that the Group has control over the board of directors in Rouse & Co. International (Thailand) Ltd and has deemed that it is a subsidiary of the Group by way of control.

11. Dividends

No dividends have been paid during the period.

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

12. Intangible assets

On 11 July 2019, Rouse & Co. International Ltd purchased IPQ IP Specialists AB, now Rouse AB. Based on a recoverable value of $1,955k, the excess of recoverable value over carrying value is equal to $397k. The forecast would need to decrease by 30% for headroom to become negative. This has resulted in a goodwill of $1,140k.

On 27 July 2022, Island Bidco Limited (subsequently renamed Rouse International Holdings III Limited) purchased 100% of the shareholding in Rouse International Limited from Intellectual Property Services Investments LLP which gave rise to goodwill and intangibles of $108,326k. This has been allocated as follows: $59,116k to goodwill, $39,596k to customer relationships and $9,614k to brand. Based on a recoverable value of $178,445k, the excess of recoverable value over carrying value is equal to $26,868k. The forecast would need to decrease by 16% for headroom to become negative. A further $12,302k of goodwill has been recognised due to the associated deferred tax arising on intangible assets.

On 8 December 2022, Rouse International Limited completed a 100% acquisition of Valea AB. Based on a recoverable value of $19,044k, the excess of recoverable value over carrying value is equal to $12,807k. The forecast would need to decrease by 17% for headroom to become negative. This has resulted in a goodwill of $6,167k, but this is subject to a purchase price allocation review which will be reported in the next financial year.

Goodwill is made up of expected synergies from combining operations of the acquiree and the resulting increased group client base. Goodwill arising on acquisitions represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill arising on acquisitions is capitalised and tested annually for impairment and an impairment loss would be recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Rouse is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on the value in use calculation. The use of this method requires the estimation of future cash flows and the determination of a discount rate to calculate the present value of the cash flows.

Key assumptions

Management has adopted a prudent approach to the key assumptions whilst conducting a discounted cash flow analysis, applying a 3% average growth rate to current year performance figures and forecasting over 5 years. As there is no internal debt, therefore the UK implied market return grossed up for tax of 11.11% has been used. This approach is consistent with the expectations of Rouse.

Sensitivity to changes in assumptions

The impairment calculation is sensitive to changes in the above assumptions. Sensitivity analysis has been conducted on the revenue and subsequent cash collections over this five-year period under several scenarios. As a result, there would have to be a more than 20% drop in revenue during this five-year period for Rouse's cash position to turn negative in year four and thereafter turn positive.

Group	**Goodwill**	**Customer relationships**	**Brand**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Cost				
At 10 Feb 2022	-	-	-	-
Acquisition of Rouse International Limited	72,558	39,596	9,614	121,768
Acquisition of Valea AB	6,167	-	-	6,167
At 30 April 2023	78,725	39,596	9,614	127,935
Accumulated amortisation and impairment				
At 10 Feb 2022	-	-	-	-
Amortisation charge	-	1,856	721	2,577
At 30 April 2023	-	1,856	721	2,577
Net book value				
At 30 April 2023	78,725	37,740	8,893	125,358

Customer relationships have been assessed to have a finite life of 15 years and are amortised on a straight-line basis over this period. During the period, amortisation of $1,856k was recognised and as at 30 April 2023 customer relationships had a remaining amortisation period of 14.25 years.

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

12. Intangible assets (continued)

Brand has been assessed to have a finite life of 10 years and is amortised on a straight-line basis over this period. During the period, amortisation of $721k was recognised and as at 30 April 2023 the brand had a remaining amortisation period of 9.25 years.

The net assets acquired during the period ended 30 April 2023 are as follows:

	RIL 30 April 2023 $ '000	Valea AB 30 April 2023 $ '000
Property, plant and equipment	1,181	136
Right of use assets	4,925	-
Trade and other receivables	40,673	4,801
Cash and cash equivalents	17,459	205
Loans and borrowings	-	(2,206)
Trade and other payables	(25,861)	(3,100)
Goodwill	1,140	-
Deferred tax	339	119
Current tax	(1)	139
Lease liabilities	(4,616)	-
Fair value of assets acquired	35,239	94
Intangibles arising on acquisition (see page 32)	108,326	6,167
Total consideration	143,565	6,261
Consideration:		
Cash	65,887	4,505
Loan notes (note 13)	70,631	1,466
Novation of debt	7,047	-
Shares (note 18)	-	290
	143,565	6,261

The carrying value of goodwill and intangibles arising from Island Bidco Limited's (subsequently renamed Rouse International Holdings III Limited) purchase of 100% shareholding in Rouse International Limited from Intellectual Property Services Investments LLP relates to the following CGUs:

	30 April 2023 $ '000
Cash generating unit (CGU):	
Rouse International Limited	108,326
	108,326

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

13. **Financial instruments**

The principal financial instruments used by the Group from which financial instrument risk arise are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Investments in unquoted shares
- Trade and other payables
- Bank overdrafts

The following tables set out details of the financial assets and liabilities:

	Group 30 April 2023 Amortised cost $ '000	Company 30 April 2023 Amortised cost $ '000
Assets		
Loan notes	-	295
Trade and other receivables	26,105	-
Cash and cash equivalents	13,992	-
Liabilities		
Trade and other payables	15,357	-
Lease liabilities	5,834	-
Long term borrowing (see below)	141,837	-

The following methods and assumptions were used to estimate the fair values both for the Group and the Company:

- The fair value of cash and cash equivalents, trade and other receivables and trade and other payables approximates to their carrying amounts due to the short-term maturities of these instruments

Financial risk management

The Group is exposed through its operations to various risks. The main types of risks are capital risk, credit risk, foreign exchange risk and liquidity risk.

The Group's risk management is coordinated by management who monitors and manages these risks though internal risk assessment which analyses exposures by degree and magnitude of risks. This is in order to minimise potential adverse effects on the Group's financial performance.

Further details regarding the financial risk policies are summarised below:

Capital risk

The Group's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for all of its stakeholders and optimise its debt and equity balances. The Group's overall strategy remains unchanged from 2019.

Credit risk

This is the first year of the Company, but in previous years the Group's credit risk was over prudent, however the Group applies IFRS 9 simplified approach to measuring expected losses using a lifetime expected credit loss provision for trade receivables and contract assets. Through maintaining close contact with clients and regular review of aging analysis, provision assessments with greater accuracy can be determined. Further details can be found in this note.

The Group's credit risk is primarily attributable to trade receivables, payments in advance, deposit, other receivables, amounts due from affiliates and cash at banks.

The Group has no significant concentration of credit risk. In respect of trade debtors, the Group is not exposed to any significant credit risk from exposure to any single counterparty as trade receivables consist of a large and growing group of counterparties in various industries and geographical areas, which reduces any potential risk concentrations.

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

13. Financial instruments (continued)

All sales made to customers have short credit terms. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. These credit evaluations focus on the customers' history of making payments when due and current ability to pay and take into account information specific to the customer. The ongoing credit risk is managed by maintaining close contact with clients and through a regular review of aging analysis where the Group will make specific provisions for those balances which cannot be recovered. Normally, the Group does not obtain collateral from customers. Further details regarding the credit risk associated with the trade receivables can be found in this note.

The Group 35eterminees any debtor which is over 90 days to be at risk of defaulting. Although a client may technically default on the agreed payment terms, we have built long-standing relationships with most of our customer base which allows us to understand the true payment patterns and therefore make accurate assessments of which clients are truly defaulting. In the opinion of the directors, the default risk of the Group is considered to be low.

Write-offs are generally only considered if the debt is older than 365 days unless direct communications with the client indicate otherwise. The write-off must be agreed with the client manager before it is actioned.

The Group has no significant credit risk on other receivables because the Group has policies in place for the control and monitoring of its credit risk. In respect of amount due from affiliate companies, the directors are of the opinion that the credit risk is low because most of these companies have high credit quality and no past default history.

The credit risk on liquid funds deposited within banks is limited because the counterparties are reputable and creditworthy banks.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the end of reporting year.

Foreign exchange risk

The Group is exposed to foreign currency exchange rate risk arising from various foreign currency exposures, primarily with respect to United States dollars (USD), Hong Kong dollars, Renminbi, Great British pounds and Euros. The exposure is predominantly driven by the contrast between the Group billing currency of USD and the individual cost base currencies. There is some natural hedging as the Group has business units in Dubai & Hong Kong which are linked to USD, but the main exposure is in Indonesia, China and Thailand which are also impacted by wage inflation.

This is managed through the management of rate setting in various currencies together with a close monitoring of changes in rates on a periodical basis.

Liquidity risk

The Group manages liquidity risk by regularly monitoring forecast and actual cash flows to ensure that it maintains sufficient cash and bank deposits to meet liquidity requirements in the short and longer term. The leadership team receives cash flow projections on a monthly basis as well as information regarding cash balances, taking account of proposed dividends and investment requirements. Accordingly, the directors are of the opinion that the Group does not have significant liquidity risk.

The maturity analysis of future undiscounted cash flows at 30 April 2023 is as follows:

GROUP	Within 1 year $ '000	Between 1 and 2 years $ '000	Between 2 and 5 years $ '000	Over 5 years $ '000	Total contractual cashflows $ '000
Trade and other payables	15,357	-	-	-	15,357
Loans and borrowings	2,172	-	-	-	2,172
Lease liabilities	3,706	1,588	540	-	5,834
Long term borrowing (see below)	-	-	-	141,837	141,837
	21,235	1,588	540	141,837	165,200

COMPANY	Within 1 year $ '000	Between 1 and 2 years $ '000	Between 2 and 5 years $ '000	Over 5 years $ '000	Total contractual cashflows $ '000
Trade and other payables	-	-	-	-	-
	-	-	-	-	-

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

13. Financial instruments (continued)

Loan Notes were issued during the year as part of the acquisition of Rouse International Limited (see note 12). At 30 April, the position of the loan notes (including accrued interest) were as follows:

Issuer	Type	Interest rate	Group Value at 30 April 23 $ '000
Rouse International Holding I Ltd	A Loan Notes	8%	69,568
Rouse International Holding I Ltd	B Loan Notes	5%	72,269
			141,837

Repayment terms of the Loan Notes are subject to the terms of the Investment Agreement regarding the acquisition by Island Bidco Limited (subsequently renamed Rouse International Holdings III Limited), unless previously purchased or repaid under the following conditions, the Loan Notes shall be repaid together with all interest accrued (less any tax which the Company is required by law to deduct or withhold from such interest payment) and not previously paid on such Notes ("Unpaid Interest"):

- on the date falling on the seventh anniversary of the date of the Instrument (27 July 2029); or
- on the date upon which a Sale or Listing occurs,

(Each such date being a "Repayment Date"). On a repayment date, each Noteholder shall be paid their due proportion of the Loan Notes together with all unpaid Interest accrued thereon (less any tax which the Company is required by law to deduct or withhold from such interest payment).

Loan Notes received during the year by the company as part of the acquisition of Rouse International Limited (see note 12). At 30 April, the position of the interest bearing loan notes were as follows:

Issuer	Type	Interest rate	Company Value at 30 April 23 $ '000
Rouse International Holding I Ltd	B Loan Notes	5%	295
			295

These are held as Non-current assets on the company statement of financial position and have the same terms as the above.

Other than the Loan Notes and bank balances which carry interest at effective interest rate, the Group has no other significant interest-bearing assets and liabilities. Due to the insignificance of bank interest income, the Group's income, expenses and operating cash flows are substantially independent of changes in market interest rates. The leadership team are of the opinion that the Group does not have significant cash flow and fair value interest rate risk and no sensitivity analysis is performed.

The Group is not exposed to any significant fair value interest rate risk.

As with many industries there is a technological element brought to the market risk of the IP industry. The IP market predominantly consists of two types of work: consulting and litigation which are high value/low volume and trade mark and patents which are more administrative in nature and therefore high volume/low value.

The administrative work causes Rouse to consider its market risk more cautiously as improvements in technology will continue to drive down the price competitors and therefore the market as a while can offer. This in turn drives down margins for the market and the market as a whole move further towards cost leadership. There are many initiatives which Rouse has undertaken to mitigate this risk including investment into new IP technologies to a new consultancy service.

14. Trade and other receivables

	Group 30 April 2023 $ '000	Company 30 April 2023 $ '000
Trade receivables	25,511	-
Provision for impairment of trade receivables	(5,648)	-
Net trade receivables	19,863	-
Amounts owed by Group undertakings	-	491
Other receivables	2,103	-
Prepayments	1,728	-
Social security costs and other taxes	300	-
Total trade and other receivables	23,994	491

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

14. Trade and other receivables (continued)

Contract assets	**Group 30 April 2023 $ '000**	**Company 30 April 2023 $ '000**
Contract assets	4,379	-
Less: provision for impairment of contract costs	(239)	-
Net contract assets	4,140	-

Trade receivables and contract assets are shown net of an impairment allowance, movements in which are as follows:

	Group 30 April 2023 $ '000	**Company 30 April 2023 $ '000**
At beginning of year	-	-
New and additional provisions	5,700	-
Write-offs	186	-
At end of year	5,886	-

The Group applies the IFRS 9 simplified approach to measuring expected losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected loss rates are based on the Group's historical credit losses and are then adjusted for current and forward-looking information that is available to the Group.

At 30 April 2023 the lifetime expected loss provision for trade receivables and contract assets are as follows:

	Group			**Company**		
	Gross carrying amount	**Loss provision**	**Expected loss rate**	**Gross carrying amount**	**Loss provision**	**Expected loss rate**
Current	13,425	(429)	3.20%	-	-	0.00%
More than 30 days	4,458	(126)	2.83%	-	-	0.00%
More than 60 days	2,903	(95)	3.26%	-	-	0.00%
More than 90 days	1,055	(46)	4.35%	-	-	0.00%
More than 120 days	1,107	(78)	7.02%	-	-	0.00%
More than 150 days	355	(31)	8.64%	-	-	0.00%
More than 180 days	6,587	(5,081)	77.12%	-	-	100.00%
Total	29,890	(5,886)		-	-	

15. Trade and other payables

	Group 30 April 2023 $ '000	**Company 30 April 2023 $ '000**
Trade payables	4,646	-
Social security costs and other taxes	-	21
Other payables	3,701	-
Accruals	6,382	-
Dilapidation provision	628	-
Total trade and other payables	15,357	21

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

16. Loans and borrowings

The loan and overdraft facility have both been taken by a subsidiary with Skandinaviska Enskilda Banken AB (SEB Bank). The loan bears a variable interest rate of 6.25% at the balance sheet date, with final repayment on 30 December 2023. The overdraft facility bears a variable interest rate of 4.00% at the balance sheet date.

	Group 30 April 2023 $ '000
Overdraft	1,935
Loan	237
At end of year	2,172

17. Leases

Right-of-use assets	**Group Land and buildings $'000**
Cost	
At 10 Feb 2022	-
Transfer of assets (note 12)	4,939
Additions during the year	1,614
Modifications	2,373
Exchange differences	10
At 30 April 2023	8,936
Accumulated Depreciation	
At 10 Feb 2022	-
Charge for period	2,891
Exchange differences	61
Accumulated Depreciation – 30 April 2021	2,952
Net carrying value – 30 April 2023	5,984

Lease liabilities	**Group Land and buildings $'000**
Net carrying value	
At 10 Feb 2022	-
Transfer of assets (note 12)	4,617
Additions during the year	1,618
Modifications	2,373
Interest	174
Payments	(2,921)
Exchange differences	(27)
Net carrying value – 30 April 2023	5,834
Current	3,706
Non-current	2,128
Total lease liabilities – 30 April 2023	5,834

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

18. Called up Share capital

Allotted, issued and fully paid, all of which were issued in the period:

Issue date	Number	Class	Nominal Value	Capital $	Share premium $
27/07/2022	379,945	Ordinary 'A'	0.01	3,799	376,146
27/07/2022	420,055	Ordinary 'B'	0.01	4,201	415,854
27/07/2022	10,000	Ordinary 'C'	0.01	100	9,900
11/10/2022	15,000	Ordinary 'C'	0.01	150	14,850
08/12/2022	10,708	Ordinary 'B'	0.01	107	289,866
				8,357	1,106,616

During the period, on 27 July 2022 the Company issued 379,945 Ordinary A shares at a price of $1.00 with a nominal value of $0.01 per share. The share premium per share is $0.99 and each share has the same right to receive dividends and voting rights.

During the period, on 27 July 2022 the Company issued 420,055 Ordinary B shares at a price of $1.00 with a nominal value of $0.01 per share. The share premium per share is $0.99 and each share has the same right to receive dividends and voting rights.

During the period, on 27 July 2022 the Company issued 10,000 Ordinary C shares at a price of $1.00 with a nominal value of $0.01 per share. The share premium per share is $0.99 and each share has the same right to receive dividends and voting rights.

During the period, on 11 October 2022 the Company issued 15,000 Ordinary C shares at a price of $1.00 with a nominal value of $0.01 per share. The share premium per share is $0.99 and each share has the same right to receive dividends and voting rights.

During the period, on 8 December 2022 the Company issued 10,708 Ordinary B shares at a price of $27.08 with a nominal value of $0.01 per share. The share premium per share is $27.07 and each share has the same right to receive dividends and voting rights.

19. Related party transactions

The subsidiary undertakings listed in note 10 are related parties of RIHL. The transactions entered into with subsidiaries during the period are eliminated on consolidation. These are unsecured, interest free and repayable on demand.

	Group 30 April 2023 $ '000	Company 30 April 2023 $ '000
Trade receivables		
Rouse Legal	1,029	-
Provision against Rouse Legal	(1,029)	-
Rouse IP Ltd	2,196	-
Provision against Rouse IP Ltd	(2,196)	-

At 30 April 2023, the amounts owed to RIHL by its subsidiaries were $491k and the amounts due to its subsidiaries was nil. The amounts owed as at year end are non-interest bearing and repayable on demand.

As at 30 April 2023 the value of Loan Notes issued from Rouse International Holding I Ltd (immediate subsidiary of Rouse International Holdings Limited) to MML Capital Europe VII S.à r.l. was $67,265k. Interest of $6,654k has been accrued during the period (see note 13). MML Capital Europe VII Equity IX S.A. holds over 20% of the shares in Rouse International Holdings Limited, and is therefore a related party by way of an associate, as both MML Capital Europe VII Equity IX S.A and MML Capital Europe VII S.à r.l. are ultimately wholly owned by MML Partnership Capital VII GP S.à r.l..

Continued...

NOTES TO THE FINANCIAL STATEMENTS as at 30 April 2023 (continued)

19. Related party transactions (continued)

Also included in the creditors due in more than one year are the following amounts due to key management personnel which form part of the balances in note 13:

	Group 30 April 2023 $ '000	Company 30 April 2023 $ '000
Loan Notes		
A Loan Notes:		
P Raleigh	140	-
L Minford	633	-
R Ross-Macdonald	1,055	-
	1,828	-
B Loan Notes:		
L Minford	4.074	-
R Ross-Macdonald	2,105	-
Y Tyson	451	-
S Holder	3,048	-
	9,678	-

The balances in the table above include interest and the repayment terms of the Loan Notes are listed in note 13.

20. Parental Guarantee

As at 30 April 2023, Rouse International Holdings Limited has taken advantage of s479A-479C of the Companies Act 2006, and provided the Parental Guarantee for the following companies within the group:

- Rouse International Holdings I Limited, Company number: 13907095
- Rouse International Holdings II Limited, Company number: 13907271
- Rouse International Holdings III Limited, Company number: 13907474
- Rouse International Nominee Limited, Company number: 14225468
- Rouse International Limited, Company number: 12478053
- Rouse & Co International Limited, Company number: 03198330
- Rouse & Co International (UK) Limited, Company number: 02793935

21. Ultimate parent and controlling party

Rouse International Holdings Limited is the parent entity for the Group. The directors do not consider that there is one ultimate controlling party of Rouse International Holdings Limited.

22. Events after the reporting period

There are no events after the reporting period to report.