

Registered no: 10551260

Rouse Acquisitionco Limited
Annual report
for the period ended 31 December 2018



Rouse Acquisitionco Limited
For the period ended 31 December 2018

Annual report

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Rouse Acquisitionco Limited

For the period ended 31 December 2018

Strategic report

1

The directors present the strategic report of the company and group for the period ended 31 December 2018.

Principal activities

Rouse Acquisitionco Limited ("the company") is the holding company of the Fibercore Group. The period reported is the 11 months to the 31 December due to a change in the year end date from 31 January to 31 December to align the companies owner. The company was incorporated on 6 January 2017 and purchased the Fibercore Group on 1 February 2017. The Fibercore Group undertakes the design, manufacture and sale of special purpose optical fibers and related products and services. On 17 October 2018 Rouse Acquisition acquired the Aero Sense Technologies group; their primary activity is the design and manufacture of aerospace components.

Review of business and future developments

Building upon a long and well established line of specialised products and business the group continues to invest in the improvement of existing and new product lines within fiber optics in order to service the ongoing demand of its existing markets and in order to expand into new ones. In addition the group has diversified into aerospace control component design and manufacturing.

The group has a strong net asset position at 31 December of \$69,122,000 (as at 31 January 2018: \$66,459,000).

The results for the period were a profit of \$334,000 (period ended 31 January 2018: loss \$4,334,000).

Principal risks and uncertainties

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

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

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

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

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

Key performance indicators

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

Approved by the board and signed on its behalf by



James Habel
Director

Date: 26 September 2019

Rouse Acquisitionco Limited

For the period ended 31 December 2018

Directors' report

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The directors present their report and the audited financial statements of the company and group for the 11 month period ended 31 December 2018.

Dividends

The directors do not propose the payment of a dividend for the period ended 31 December 2018 (period ended 31 January 2018: nil). See the Strategic Report for review of business and future developments.

Charitable and political donations

No donations were made during the period to political or charitable organisations.

Directors

The directors who held office during the period and up to the date of signing the financial statements are given below:

Christopher O'Connor
James Habel

Research and Development

The company undertakes a number of different research and development projects in a year and the costs are taken directly to the income statement. The value expensed to the statement of comprehensive income in 11 months to 31 December 2018 was \$168,000 (13 month period ended 31 January 2018: \$574,000).

Financial risk factors

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

Price risk

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

Credit risk

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

Liquidity risk

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

Foreign exchange risk

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

Qualifying third party indemnity provisions

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

Rouse Acquisitionco Limited

For the period ended 31 December 2018

Directors' report (continued)

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Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 11 month period. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group and parent company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and;
- each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the board and signed on its behalf by

James Habel
Director



Date: 26 September 2019

Rouse Acquisitionco Limited

For the period ended 31 December 2018

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Independent auditors' report to the members of Rouse Acquisitionco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Rouse Acquisitionco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2018 and of the group's profit and cash flows for the 11 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the group and parent company statements of financial position as at 31 December 2018; the group statement of comprehensive income, the group cash flow statement, and the group statement of changes in equity for the 11 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Rouse Acquisitionco Limited

For the period ended 31 December 2018

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Independent auditors' report to the members of Rouse Acquisitionco Limited (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

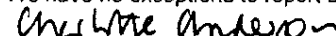
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.


Charlotte Anderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

Rouse Acquisitionco Limited
For the period ended 31 December 2018

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Group Statement of Comprehensive Income for the 11 month period ended 31 December 2018

		11 month period ended 31 December 2018 \$'000	13 month period ended 31 January 2018 \$'000
	Note		
Turnover	5	15,440	14,706
Cost of sales		(5,431)	(12,726)
Gross profit		10,009	1,980
Administrative expenses		(9,290)	(6,805)
Other Operating Income		-	28
Operating profit/(loss)	6	719	(4,797)
Interest payable and similar expense	10	(13)	(17)
Profit/(loss) before taxation		706	(4,814)
Tax on profit/(loss)	11	(372)	480
Profit/(loss) for the financial period	25	334	(4,334)
Total comprehensive income/(expense) for the period		334	(4,334)

The Directors have elected to take the s408 exemption and have not published the company's profit and loss statement.

The accompanying notes on pages 10 to 34 form an integral part of the consolidated and company financial statements

Rouse Acquisitionco Limited
For the period ended 31 December 2018

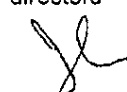
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Group and Company Statements of Financial Position as at 31 December 2018

		Group		Company	
		December 2018	January 2018	December 2018	January 2018
	Note	\$'000	\$'000	\$'000	\$'000
Fixed assets					
Goodwill	12	49,288	48,879	-	-
Other intangible assets	14	6,229	6,514	-	-
Property, plant & equipment	15	5,306	5,345	-	-
Investments	13	-	-	82,145	76,809
		60,823	60,738	82,145	76,809
Current assets					
Inventories	16	4,154	3,529	-	-
Trade and other receivables	17	3,567	3,451	-	-
Cash at bank and in hand	18	5,954	5,671	-	-
		13,675	12,651	-	-
Current liabilities					
Trade and other payables	19	(2,832)	(3,847)	(10,855)	(6,030)
Current tax liabilities		(53)	(444)	-	-
Provisions for liabilities	20	(455)	(323)	(120)	-
		(3,340)	(4,614)	(10,975)	(6,030)
Net current assets/(liabilities)		10,335	8,037	(10,975)	(6,030)
Total assets less current liabilities		71,158	68,775	71,170	70,779
Non-current liabilities					
Provisions for liabilities	20	(1,185)	(1,127)	(480)	-
Deferred grant income		-	(107)	-	-
Deferred tax liability	21	(851)	(1,082)	-	-
		(2,036)	(2,316)	(480)	-
Net assets		69,122	66,459	70,690	70,779
Capital and reserves					
Called up share capital	24	70,793	70,793	70,793	70,793
Capital Contribution	25	2,329	-	-	-
Accumulated losses	25	(4,000)	(4,334)	(103)	(14)
Total equity		69,122	66,459	70,690	70,779

The company loss for the 11 months ended 31 December 2018 was \$89,000 (13 month period ended 31 January 2018: \$14,000).

The accompanying notes on pages 10 to 34 form an integral part of the consolidated and company financial statements. The financial statements on pages 6 to 34 were approved by the board of directors 26 September 2019 and were signed on its behalf by



James Habel - Director - Registration no. 10551260

Rouse Acquisitionco Limited
For the period ended 31 December 2018

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**Group and Company Statements of Changes in Equity for the
11 month period ended 31 December 2018**

Group

	Note	Called up Share capital \$'000	Capital contribution \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 February 2018		70,793	-	(4,334)	66,459
Profit for the financial period	25	-	-	334	334
Total comprehensive income for the period		-	-	334	334
Capital contribution	25	-	2,329	-	2,329
Total contributions by owners		-	2,329	-	2,329
Balance at 31 December 2018		70,793	2,329	(4,000)	69,122
Balance at 6 January 2017		-	-	-	-
Loss for the financial period	25	-	-	(4,334)	(4,334)
Total comprehensive expense for the period		-	-	(4,334)	(4,334)
Issue share capital		70,793	-	-	70,793
Total contributions by owners		70,793	-	-	70,793
Balance at 31 January 2018		70,793	-	(4,334)	66,459

Company

	Note	Called up Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 February 2018		70,793	(14)	70,779
Loss for the financial period	25	-	(89)	(89)
Total comprehensive expense for the period		-	(89)	(89)
Balance at 31 December 2018		70,793	(103)	70,690
Balance at 6 January 2017		-	-	-
Loss for the financial period	25	-	(14)	(14)
Total comprehensive expense for the period		-	(14)	(14)
Issue share capital		70,793	-	70,793
Total contributions by owners		70,793	-	70,793
Balance at 31 January 2018		70,793	(14)	70,779

The accompanying notes on pages 10 to 34 form an integral part of the consolidated and company financial statements.

Rouse Acquisitionco Limited
For the period ended 31 December 2018

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Group Cash Flow Statement for the period 11 month ended 31 December 2018

	Note	11 month period ended 31 December 2018 \$'000	13 month period ended 31 January 2018 \$'000
Net cash from operating activities	29	3,490	7,750
Taxation paid		(1,072)	(1,035)
Net cash generated from operating activities		2,418	6,715
Cash flow from investing activities			
Purchase of property, plant and equipment	15	(175)	(161)
Purchase of other intangible assets	14	(34)	(46)
Consideration for purchase of business combination	23	(4,255)	(71,630)
Net cash outflow from investing activities		(4,464)	(71,837)
Cash flow from financing activities			
Payment for shares		-	70,793
Capital contribution	25	2,329	-
Net cash inflow from financing activities		2,329	70,793
Net change in cash and cash equivalents		283	5,671
Cash and cash equivalents at the beginning of the financial period		5,671	-
Cash and cash equivalents at the end of the financial period		5,954	5,671

The Company is a qualifying for the purposes of FRS 102 and has elected to that the exemption under FRS 102, para 1.12(b) not to present a Company statements of cash flows.

Rouse Acquisitionco Limited
For the period ended 31 December 2018
Notes to the group and company Financial Statements

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1 General Information

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

The consolidated financial statements of the Group for the period ended 31 December 2018 comprise the Company, Rouse Acquisitionco Limited, and its subsidiaries. A listing of the Company's subsidiaries is given in note 22.

The Group undertakes the design, manufacture and sale of special purpose optical fibers and related products and services. It has an optical fiber manufacturing facility near Southampton, United Kingdom. In October 2018 the Group acquired the Aerosense Technologies group which is engaged in the design, manufacture and sale of aerospace components with sites in the United Kingdom and Sri Lanka.

2 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act. The Group financial statements are prepared on a going concern basis.

The financial statements have been prepared on the historic cost basis, revised for use at fair value where required by applicable FRS 102 standards. The consolidated financial statement are presented in U.S. dollar to the nearest thousand (\$'000), except where otherwise indicated. The principle policies adopted are set out below.

The period for the financial statements is the 11 months ended the 31 December 2018 and not the 12 month period. The change has occurred to bring the company into line with the group accounting period. The effect of this is that the comparable period, which is 13 months, does not directly compare to the current year period.

3 Significant Accounting Policies

3.1 Overall Considerations

The consolidated and company financial statements have been prepared using the significant accounting policies and measurement basis that are in effect at 31 December 2018, as summarised below. These were used consistently throughout all periods presented in the financial statements.

3.2 Basis of consolidation

The Group financial statements consolidate those of the parent company profit and loss account and all of its subsidiaries as of 31 December 2018. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. All subsidiaries have adopted uniform accounting policies.

Rouse Acquisitionco Limited
For the period ended 31 December 2018
Notes to the group and company Financial Statements
(continued)

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3 Significant Accounting Policies (continued)

3.3 Business combinations

The Group applies the acquisition method in accounting for business combinations. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued, the fair value of contingent or deferred consideration and liabilities incurred or assumed. The excess of the costs of a business combination over the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measureable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an *adjustment to the cost of the business combination*.

3.4 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in US Dollars which is also the functional currency of the parent company and subsidiaries.

At the balance sheet date the US dollar to Sterling rate of 1.275 (period ended 31 January 2018: 1.419) was used.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, *using the exchange rates prevailing at the dates of the transactions*. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in the income statement.

3.5 Turnover

Revenue arises from the sale of goods and rendering of services and is measured at the fair value of the consideration received or receivable, net of trade discounts and VAT.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria relating to the Group's activities have been met. Revenue relating to the sale of goods is recognised when the Group has transferred the significant risks and rewards of ownership to the customer. Service-related revenue is recognised when the services have been performed. In addition revenue is only recognised when collectability of the related receivable is reasonably assured.

Rouse Acquisitionco Limited
For the period ended 31 December 2018
Notes to the group and company Financial Statements
(continued)

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3 Significant Accounting Policies (continued)

3.6 Goodwill

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life which is estimated to be 10-20 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

3.7 Other Intangible assets

Patents and Licences

Acquired patents and licences are recognised at purchase cost less accumulated amortisation. Amortisation is calculated to write off the cost of patents over their estimated useful lives on a straight-line basis, which is between 4 and 20 years.

Computer software

Acquired computer software and licences are capitalised when they have met the capitalisation criteria on the basis of the costs incurred to acquire and install the specific software. Acquired software and licences are amortised using the straight line method over their estimated useful lives, principally 3 years.

Distribution licence

The distribution licence has no contractual time limit but management have considered the estimated useful life to be comparable with that of a patent and have therefore considered it to be 20 years.

3.8 Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Rouse Acquisitionco Limited
For the period ended 31 December 2018
Notes to the group and company Financial Statements
(continued)

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3 significant Accounting Policies (continued)

3.9 Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation. Historic purchase cost includes costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Depreciation is recognised on a straight-line basis to write down the cost, on a straight-line basis, over the expected useful economic lives of the assets concerned.

The following useful lives are applied:

Long leasehold interest	50 years
Building and leasehold improvements	Over the remaining life of the building
Plant & machinery	8 years
Fixtures, fittings & Equipment	3 to 8 years

The assets' residual values and useful lives are reviewed and adjusted for if appropriate, at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and recognising in the statement of comprehensive income.

3.10 Government Grants

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

3.11 Inventory

Inventory is stated at the lower of cost and net realisable value.

Finished goods cost comprises direct material and labour costs together with relevant overheads (including depreciation) on the basis of normal activity levels. They are calculated using a 12 month assessment period to derive an average cost per meter.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Provision is made where necessary for obsolete, slow moving and defective inventory.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that have maturities of three months or less from inception, are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.13 Leases

Operating lease rentals are expensed in equal annual amounts over the lease term.

Rouse Acquisitionco Limited
For the period ended 31 December 2018
Notes to the group and company Financial Statements
(continued)

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3 Significant Accounting Policies (continued)

3.14 Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets

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

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities

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

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

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

Rouse Acquisitionco Limited
For the period ended 31 December 2018

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3 significant Accounting Policies (continued)

3.15 Current and deferred tax

Taxation represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Tax losses arising as a result of research and development expenditure and subsequently surrendered for tax credit are recognised within other income and as an other receivable.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred tax asset or liability is realised or settled.

3.16 Share Based Payments

Cash settled share options are measured at fair value at the balance sheet date. The group recognises a liability at the balance sheet date based on these fair values, taking into account the estimated number of options that will actually vest and the current proportion of the vesting period. Changes in the values of this liability are recognised in the Income Statement.

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3 Significant Accounting Policies (continued)

3.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

Provision is recognised for the anticipated cost of significant re-instatement of leasehold properties at the end of the lease term. The anticipated cost is capitalised on a present value basis within leasehold improvements and depreciated on a straight line basis. The increase in the provision due to passage of time is recognised as interest expense. Other increases are treated as an increase to the amount capitalised.

3.18 Pension scheme arrangements

The group operates a defined contribution pension scheme for UK employees. Contributions are recognised in the income statement as they become payable in accordance with the rules of the scheme or plan. Differences between the amounts charged to the profit and loss account and the amounts paid are held in prepayments or accruals at the period end.

3.19 Research and development

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

3.20 Share Capital

Ordinary shares are classified as equity.

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Notes to the group and company Financial Statements
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4 Critical Accounting Estimates and Judgements

The preparation of consolidated financial information under FRS 102 requires the Group to make estimates and judgments that affect the application of policies and reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

	Notes
Goodwill accounting The valuation of business combinations requires significant estimates which requires the management to make judgements.	3.6, 12
Useful economic lives The directors use the best available information to estimate the useful economic lives of the intangible assets. However there is significant uncertainty about the length as technology will last for and remain to be commercial.	3.7
Contingent consideration The contingent consideration relates to the amounts owed relating to the future performance of business conducted under the master sales and distribution agreement in place with Acreo Swedish ICT AB. As there are a considerable number of unknowns related to this forecast it requires a significant amount of management judgement.	20

5 Turnover

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

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

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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6 Operating profit/(loss)

	11 month period ended 31 December 2018 \$'000	13 month period ended 31 January 2018 \$'000
Operating profit/(loss) is stated after charging /(crediting):		
Depreciation of tangible assets (see note 15)	421	404
Amortisation of intangible assets (see notes 12,14)	2,707	2,918
Operating lease rentals	78	174
Research and development costs	168	574
Net (gain)/loss on foreign exchange	(63)	67
Services provided by the company's auditors:		
-Fees payable for the company and group audit	103	52
-Fees payable for tax services	18	26

In the 13 month period ended 31 January 2018 there was a stock write off of \$8,268,000 which related to stock included in the purchase of Fibercore Limited.

7 Employee Costs

Staff costs (including Directors) during the period were as follows:	11 month period ended 31 December 2018 \$'000	13 month period ended 31 January 2018 \$'000
Wages and salaries	3,625	3,286
Share based payment	2,329	-
Social security costs	624	287
Other pension costs (see note 28)	134	138
	6,712	3,711
Remuneration in respect of key management personnel was as follows:	Period ended 31 December 2018 \$'000	Period ended 31 January 2018 \$'000
Wages and salaries	2,393	657
Social security costs	324	84
Other pension costs	15	15
	2,732	756

Key management personnel comprise the senior operational staff.

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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7 Employee Costs (continued)

Share Based Payments

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

There are no outstanding options at the year end.

8 Directors' Emoluments

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

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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9 Employee Information

The monthly average number of employees during the period was:

By activity	11 month period ended 31 December 2018 Number	13 month period ended 31 January 2018 Number
Production staff	19	18
Administration staff	6	8
Engineering staff	7	5
Marketing staff	8	9
	40	40

10 Interest payable and similar expense

	11 month period ended 31 December 2018 \$'000	13 month period ended 31 January 2018 \$'000
Finance costs comprise:		
Unwinding of discount on lease restoration provision	13	17
	13	17

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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11 Tax on profit/(loss)

	11 month period ended 31 December 2018 \$'000	13 month period ended 31 January 2018 \$'000
Current tax:		
UK corporation tax on profit/(loss) for the period	678	1,167
Total current tax expense	678	1,167
Deferred tax:		
Origination and reversal of timing differences	(306)	(1,647)
Total deferred tax credit	(306)	(1,647)
Income tax charge/(credit) per income statement	372	(480)

The tax charge/(credit) for the period is higher than the standard rate of corporation tax in the UK of 19.00% (13 month period ended 31 January 2018: 19.17%). The differences are explained below:

	11 month period ended 31 December 2018 \$'000	13 month period ended 31 January 2018 \$'000
Profit/(loss) before tax	706	(4,814)
Profit/(loss) before tax multiplied by the standard rate of corporation tax in the UK 19.00% (period ended 31 January 2018: 19.17%)	134	(923)
Effects of:		
Expenses not deductible for tax purposes	383	445
Prior year movement	(145)	(2)
Tax charge/(credit) for the financial period	372	(480)

On the 1 April 2020 the corporation tax rate changes to 18.00%.

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Notes to the group and company Financial Statements
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12 Goodwill

The movements in the net carrying amount of goodwill are as follows:

Group	\$'000
Cost	
Acquisition	51,451
At 1 February 2018	51,451
Acquisition	2,797
At 31 December 2018	54,248
Accumulated amortisation	
Charge for the period	2,572
At 1 February 2018	2,572
Charge for the period	2,388
At 31 December 2018	4,960
Net book value	
At 31 December 2018	49,288
At 31 January 2018	48,879

The goodwill relates to Fibercore Limited and the Aero Sense Group.

The Goodwill for Fibercore is amortised on a 20 year basis as the goodwill is created by the technology and customer relationships held by the Fibercore Limited. As the length of a patent is usually 20 years it was felt that this represented a good approximation of the life of the goodwill.

For the Aero Sense Group the goodwill is 10 years in line with FRS102 as no specific factor was identified to change this position.

13 Investment

Company	Interests in subsidiary undertakings \$'000
Cost and net book value at 1 February 2018	76,809
Acquisition	5,336
Cost and net book value at 31 December 2018	82,145

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

For details of all subsidiaries see note 22.

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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14 Intangible Assets

Group

	Patents & Licences \$'000	Computer Software \$'000	Total \$'000
Cost			
At 1 February 2018	6,766	94	6,860
Additions	34	-	34
At 31 December 2018	6,800	94	6,894
Accumulated amortisation			
At 1 February 2018	315	31	346
Charge for period	290	29	319
At 31 December 2018	605	60	665
Net book amount			
At 31 December 2018	6,195	34	6,229

Cost			
Acquisitions	6,720	94	6,814
Additions	46	-	46
At 31 January 2018	6,766	94	6,860
Accumulated amortisation			
Charge for period	315	31	346
At 31 January 2018	315	31	346
Net book amount			
At 31 January 2018	6,451	63	6,514

The patents and licences relate to the legal costs to obtain patents and the cost to purchase licences. The computer software costs are the costs on new licenses.

Company

The Company has no intangible assets as at 31 December 2018 (31 January 2018: nil).

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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15 Property, Plant and Equipment

Group

	Long Leasehold Interest \$'000	Building & Leasehold Improvement \$'000	Plant & Machinery \$'000	Fixtures, Fittings & Equipment \$'000	Total \$'000
Cost					
At 1 February 2018	639	2,588	2,323	199	5,749
Acquisition	-	-	207	-	207
Additions	-	-	175	-	175
At 31 December 2018	639	2,588	2,705	199	6,131
Accumulated depreciation					
At 1 February 2018	14	58	281	51	404
Charge for period	13	53	307	48	421
At 31 December 2018	27	111	588	99	825
Net book value					
At 31 December 2018	612	2,477	2,117	100	5,306
Cost					
Acquisition	639	2,588	2,184	196	5,607
Additions	-	-	158	3	161
Disposal	-	-	(19)	-	(19)
At 31 January 2018	639	2,588	2,323	199	5,749
Accumulated depreciation					
Charge for period	14	58	281	51	404
At 31 January 2018	14	58	281	51	404
Net book value					
At 31 January 2018	625	2,530	2,042	148	5,345

Company

The Company has no tangible assets as at 31 December 2018 (31 January 2018: nil).

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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16 Inventories

Group

	31 December 2018 \$'000	31 January 2018 \$'000
Finished goods	3,114	2,609
Raw materials and consumables	1,040	920
	4,154	3,529

The cost of inventories recognised as an expense and included in cost of goods sold amounted to \$5,220,000 (13 month period ended 31 January 2018: \$12,541,000).

In the 13 month period ended 31 January 2018 there was a stock write off of \$8,268,000 which related to stock included in the purchase of Fibercore Limited.

Company

The Company has no inventories at 31 December 2018 (31 January 2018: nil).

17 Trade and Other Receivables

Group

	31 December 2018 \$'000	31 January 2018 \$'000
Amounts falling due within one year		
Trade debtors	3,110	3,020
Amounts owed by intra-group companies	48	124
Other debtors	226	183
Prepayments and accrued income	183	124
	3,567	3,451

Trade debtors includes \$nil (31 January 2018: \$37,000) falling due after more than one year.

Trade debtors are stated after provision for impairment of \$36,000 (31 January 2018: \$79,000).

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

Company

The company has no receivables balance as at 31 December 2018 (31 January 2018: nil).

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
(continued)

18 Cash at bank and in hand

Group	31 December 2018 \$'000	31 January 2018 \$'000
Cash at bank and in hand	5,954	5,671

Company

The company has no cash balance as at 31 December 2018 (31 January 2018: nil).

19 Trade and Other Payables

	31 December 2018 Group \$'000	Company \$'000	31 January 2018 Group \$'000	Company \$'000
Trade creditors	628	-	240	-
Amounts owed to intra-group companies	355	355	2,601	5,766
Amounts owed to group undertakings	-	9,812	-	264
Other taxation and social security	84	-	84	-
Accruals and deferred income	1,765	688	922	-
	2,832	10,855	3,847	6,030

\$9,534,000 of amounts owed to the group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand. \$278,000 is unsecured with an interest charge of 6.00% per annum and a repayment date of 2022.

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

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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20 Provisions for Liabilities

Group

	Warranty provision \$'000	Lease restoration obligation \$'000	Contingent Consideration \$'000	Total \$'000
Acquisition	70	548	1,029	1,647
Utilised in the period	-	-	(250)	(250)
Charged/(credited) to profit and loss account	3	84	(34)	53
At 1 February 2018	73	632	745	1,450
Acquisition	-	-	600	600
Utilised in the period	-	-	-	-
Charged/(credited) to profit and loss account	12	(50)	(372)	(410)
At 31 December 2018	85	582	973	1,640
Current	85	-	370	455
Non-Current	-	582	603	1,185

Warranty provision

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

Lease restoration obligation

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

Contingent Consideration

The contingent consideration is the current fair value of the amounts owed in relation to the acquisition of the distribution agreement from Acreo Swedish ICT AB and the payments due to the previous shareholders of Aero Sense Technologies Holdings Limited. The remaining payments are estimated to become payable over the next 3 years.

Company

The company has the following provision balance as at 31 December 2018:

	Contingent Consideration \$'000
Acquisition	600
At 31 December 2018	600
Current	120
Non-Current	480

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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21 Deferred Tax Liability

Deferred taxation provided in the financial statements is as follows:

	31 December 2018 \$'000	31 January 2018 \$'000
Accelerated capital allowances	37	45
Acquisition related deferred tax	(888)	(1,127)
Total deferred tax liability	(851)	(1,082)
At beginning of period	(1,082)	-
Acquisition	(76)	(2,729)
Deferred tax credit in income statement for period (note 11)	307	1,647
At end of period	(851)	(1,082)

There are no unprovided amounts of deferred taxation. The deferred tax assets related to temporary timing difference and therefore have been assessed to be fully recoverable.

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Notes to the group and company Financial Statements
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22 Subsidiaries

Details of the Group's subsidiaries as at 31 December 2018 are set out below:

Name of undertaking	Country of registration/ incorporation	Description of shares held	Proportion of nominal value of ordinary shares held		Principal activities
H.I.G. Europe – Fibercore Bidco Limited	United Kingdom	Ordinary	100%	Direct	Management Services
H.I.G. Europe – Fibercore Bidco 2 Limited	United Kingdom	Ordinary	100%	Indirect	Management Services
Fibercore Limited	United Kingdom	Ordinary	100%	Indirect	Fiber Optics Products
AeroSense Technologies Holdings Limited	United Kingdom	Ordinary	100%	Direct	Management Services
AeroSense Technologies Limited	United Kingdom	Ordinary	100%	Indirect	Aerospace components
AeroSense (Private) Limited	Sri Lanka	Ordinary	100%	Indirect	Aerospace components

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

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

AeroSense (Private) Limited has the registered address of Ranmuthugala Industrial Estate, Kadawatha, Sri Lanka.

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Rouse Acquisitionco Limited
For the period ended 31 December 2018
Notes to the group and company Financial Statements
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22 Subsidiaries (continued)

The results and financial position of the subsidiaries for the 11 month period ended 31 December 2018 are set out below:

Name of undertaking	Net Profit/(Loss)	Net assets
	\$'000	\$'000
H.I.G. Europe – Fibercore Bidco Limited	-	2
H.I.G. Europe – Fibercore Bidco 2 Limited	-	2,287
Fibercore Limited	3,116	45,027
AeroSense Technologies Holdings Limited	-	-
AeroSense Technologies Limited	24	597
AeroSense (Private) Limited	(49)	1,085

Parent Company Guarantee

Subsidiaries of the parent companies established within the European Economic Area are exempt from an audit if a grantee is provided by the parent for the subsidiary liabilities and the shareholders are in unanimous agreement. The Group will be exempting the following companies from an audit for the period ended 31 December 2018 under section 479A of the Companies Act 2006, all are fully consolidated in these financial statements: H.I.G. Europe – Fibercore Bidco Limited, H.I.G. Europe – Fibercore Bidco 2 Limited, Aero Sense Technologies Holdings Limited and Aero Sense Technologies Limited

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For the period ended 31 December 2018
Notes to the group and company Financial Statements
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23 Business combination

The following table summarises the consideration paid by the Group, the fair value of the assets acquired and liabilities assumed at the acquisition date.

Consideration at 17 October 2018	\$'000
Cash consideration	4,381
Directly attributable costs	355
Fair value of contingent consideration	600
	5,336

For cash flow disclosure purposes the amounts are disclosed as follows:

	\$'000
Cash consideration	4,381
Directly attributable costs	355
Less	
Cash and cash equivalents	(481)
Net cash outflow	4,255

Recognised amounts of identifiable assets acquired and liabilities assumed

	Note	Book value	Adjustment	Fair value
		\$'000	\$'000	\$'000
Cash		481	-	481
Accounts receivable		713	-	713
Inventories	A	1,196	400	1,596
Prepaid expense and other		66	-	66
Property, plant and equipment		207	-	207
Accounts payable and accrued liabilities		(439)	-	(493)
Accrued income taxes	B	(9)	(76)	(85)
Total identifiable net assets		2,215	324	2,539

Notes:

A: Uplift for the fair value of inventory at the date of sale.

B: Deferred tax on acquisition adjustment

Calculation of goodwill

	\$'000
Total consideration	5,336
Less net assets Acquired	2,539
	2,797

The AeroSense group contributed \$26,000 to the group performance for period of ownership included in the 11 month period ended 31 December 2018.

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For the period ended 31 December 2018
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24 Called-up share capital

	31 December 2018	31 January 2018
Group and Company	\$'000	\$'000
Authorised, issued and fully paid	70,793	70,793

25 Reserves

	Called up Share Capital	Capital Contribution	Accumulated losses
Group	\$'000	\$'000	\$'000
Loss for the period	-	-	(4,334)
Issued share capital	70,793	-	-
At 31 January 2018	70,793	-	(4,334)
At 1 February 2018	70,793	-	(4,334)
Profit for the period	-	-	334
Capital Contribution	-	2,329	-
At 31 December 2018	70,793	2,329	(4,000)

	Called up Share Capital	Accumulated loss
Company	\$'000	\$'000
Loss for the period	-	(14)
Issued share capital	70,793	-
At 1 February 2018	70,793	(14)
Loss for the period	-	(89)
At 31 December 2018	70,793	(103)

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

Rouse Acquisitionco Limited 33
For the period ended 31 December 2018
Notes to the group and company Financial Statements
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26 Operating Leases

The total future value of minimum lease payments under non-cancellable operating leases is as follows:

Group	At 31 December 2018		At 31 January 2018	
	Land and Buildings	Other	Land and Buildings	Other
	\$'000	\$'000	\$'000	\$'000
Within one year	98	89	104	79
Between two and five years	-	105	-	-
	98	194	104	79

Company

The Company holds no operating leases as at 31 December 2018 (31 January 2018: nil).

27 Financial Instruments

The Group held the following financial assets:

	At 31 December 2018	At 31 January 2018
	\$'000	\$'000
Financial assets that are debt instruments measured at amortised cost:		
Cash and cash equivalents	5,954	5,671
Trade & Other Receivables excluding prepayments	3,384	3,327
Total	9,338	8,998

The Group held the following financial liabilities:

	At 31 December 2018	At 31 January 2018
	\$'000	\$'000
Financial liabilities measured at fair value through profit and loss:		
Contingent consideration	973	745
Financial liabilities measured at amortised cost:		
Trade Creditors	628	240
Amounts owed to intra-group companies	355	2,601
Accruals and deferred income	1,765	922
Total	3,711	4,508

The Company held the following financial liabilities:

	At 31 December 2018	At 31 January 2018
	\$'000	\$'000
Amounts owed to intra-group companies	355	5,766
Amounts owed to group undertakings	9,812	264
Total	10,167	6,030

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28 Pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable to the scheme and amounts to \$134,000 (31 January 2018: \$138,000). At the period end there was \$23,000 (31 January 2018: \$25,000) of outstanding contributions.

29 Notes of the cash flow statement

		11 month period ended 31 December 2018 \$'000	13 month period ended 31 January 2018 \$'000
	Note		
Profit/(loss) for the financial period		334	(4,334)
Tax		372	(480)
Interest	10	13	17
Operating profit/(loss)		719	(4,797)
Adjustments			
Depreciation		421	387
Amortisation		2,707	2,918
Foreign exchange	6	(63)	67
Non cash stock movement		400	8,268
Total		4,184	6,843
Working capital movements			
Inventories	16	570	(601)
Trade and other receivables	17	663	(801)
Trade and other payables	19	(1,929)	2,309
Total		(694)	907
Net cash from operating activities		3,490	7,750

30 Ultimate controlling party and related party disclosures

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

Details of key management compensation are given in Note 8.

31 Post balance sheet event

On 1 February 2019 the group acquired 100% of the share capital of Iruvis limited which in turns holds 100% of the share capital of Optek Systems limited and Optek Systems Inc. Both Iruvis Limited and Optek Systems limited are companies registered in England. Optek Systems Inc. is a US registered company. The acquisition continues the group's acquisition strategy and enhances the value of the group.