

Registered number: 01618416

discoverIE Holdings Ltd
(formerly Acal Electronics Holdings Limited)

Report and Financial Statements

31 March 2022

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discoverIE Holdings Ltd

Company information

Directors

S M Gibbins
N J Jefferies
J J Morcom
M F E Pangels

Secretary

G Davidson-Shrine

Registered office

2 Chancellor Court
Occam Road
Surrey Research Park
Guildford
Surrey
England
GU2 7AH

Bankers

Danske Bank A/S
HSBC Bank UK plc

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Registered number

01618416

Country of incorporation

United Kingdom

Strategic report

The directors present their Strategic report for discoverIE Holdings Ltd (formerly Acal Electronics Holdings Limited) ('the Company') for the year ended 31 March 2022.

Principal activities and review of the business

The principal activity of the Company is to act as an intermediate parent undertaking of a Group which is a leader in advanced technology solutions, providing marketing, engineering, design, manufacturing and other related services. Directly held subsidiary undertakings are based in the United Kingdom, Europe, South Korea, Mexico, Canada and the USA.

The operations of the Company are managed by discoverIE Group plc the immediate and ultimate parent company. The performance of discoverIE Group plc and key performance indicators are discussed in the discoverIE Group plc annual report and consolidated accounts which are publicly available. The Company reported a profit for the year of £11,887k (2021 - £15,538k) and had net assets at the balance sheet date of £49,408k (2021 - £52,521k).

Principal risks and uncertainties

The Company's principal risks include:

- The valuation of its investments which are reliant on trading and performance of subsidiary undertakings. The directors continuously monitor the performance of its subsidiary undertakings and any indicators of impairment.
- The exposure to interest rate risk. The directors continuously monitor the market for indicators of changes to interest rates.

Financial risk management

discoverIE Group plc has a committed multi-currency revolving credit facility, which expires in June 2026. The financial risk management policies and procedures are centred around foreign exchange risk, credit risk, liquidity risk and cash flow risk. In the view of the directors, these policies are held to minimise the Company's overall risk exposure.

Foreign exchange risk

Foreign exchange exposures are hedged by use of forward exchange rate contracts.

Credit risk

There is an effective credit control procedure in place which limits exposure to credit risk.

Liquidity risk

The Company has access to short term finance through Group resources if needed.

Cash flow risk

The Company carries out regular monitoring of cash against forecast and expected liquidity.

Strategic report (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been described in the Strategic report on page 2.

The directors have assessed the impact of a prolonged worsening of the economic environment caused by potential escalation of the Ukraine conflict, significant reduction in consumer demand due to inflationary pressures and potential resurgence of Covid-19 pandemic. No adjustments to the key estimates and judgements that impact the Balance Sheet as at 31 March 2022 have been identified as a result of these.

The ultimate parent undertaking, discoverIE Group plc, has agreed to provide financial support to the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the Balance sheet. The discoverIE Group plc has significant financial resources, sells a wide portfolio of different products across a diverse set of industries and geographies, has a global supply chain network and has well-established relationships with its customers. The discoverIE Group plc has carried out a going concern assessment taking into account the impact of sensitivities which show that it is well placed to support the Company for the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Section 172 of the Companies Act 2006

The Board of the Company takes seriously its duties to act in accordance with legal requirements and appropriate business and ethical standards. This includes fulfilling the duties described in Section 172 of the Companies Act 2006 (the "Act").

The information below describes how the directors have had regard to the matters referred to in Section 172 of the Act in performing their duties and constitutes the Board's Section 172 Statement for the year ended 31 March 2022. This section is incorporated by reference into the Strategic report.

The context in which the Company operates is relevant to how the Board meets its duties under Section 172. In particular, the Company operates within the discoverIE Group plc group of companies (the "Group") and, as such, its processes and procedures reflect the arrangements within, and the interests of, the wider Group, in addition to those of the Company specifically. This reflects the fact that the success of the Group and the Company are aligned.

Duty to promote the success of the Company

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

In order to fulfil the above duties, the Board sets strategy and monitors performance against that strategy on an ongoing basis, both for the Company itself and also within the context of the performance of the wider Group. All decision-making is made by reference to the agreed long-term strategic aims of the Company, including in the context of the discoverIE Group of companies as a whole. The Board does so both through receiving regular updates from others in the business as relevant, through monitoring day-to-day performance and through formal meetings and at other intervals as appropriate.

Strategic report (continued)

Duty to promote the success of the company (continued)

Processes are in place to ensure that the Board receives all relevant information to enable it to make well-judged decisions for the long-term success of the Company and its various stakeholders. Where information is not readily available, the Board ensures that it has the means to receive or generate such information wherever relevant and necessary. This may include utilising the resources and information available to the wider Group.

The Board considers all relevant proposals (including long-term investments and operating and capital expenditure) within the context of the overall success of the Company for the benefit of its members as a whole over the long-term. Again, this takes into account the Company's and the Group's long-term strategic aims.

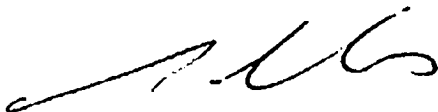
During the year, the Board set annual budgets as relevant and oversaw business performance against targets. All of its key decisions take performance against budget into account.

In terms of staff, the Board recognises that a motivated and skilled workforce is essential to its long-term success and the Group as a whole seeks to encourage an entrepreneurial and innovative culture, set within structures that provide fairness for all. The Company complies with all relevant labour laws.

Where the Company works with customers, suppliers and other third parties, it considers it of great importance to maintain appropriate relations at all times and conducts itself accordingly. The Board considers any charitable or other similar initiatives that may be relevant to the locations and markets within which it operates.

The Board seeks to encourage a corporate culture across the organisation that promotes integrity and transparency and this is reinforced through internal audits and other mechanisms supplemented by the wider Group. The Board strongly believes in ethical behaviour and corporate responsibility and is mindful of the fact that discoverIE Group plc, its ultimate parent company, is required to conduct itself in accordance with the processes and procedures outlined in the UK Corporate Governance Code 2018.

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



S M Gibbins
Director

Date: 30th September 2022

Directors' report

The directors present their Annual Report on the affairs of the Company, together with the audited financial statements and independent auditors' report for the year ended 31 March 2022.

Results and dividends

The profit for the financial year after taxation amounted to £11,887k (2021 - £15,538k). An interim dividend was paid during the year of £15,000k (2021 - £5,000k). The directors do not recommend a final dividend (2021 - £nil).

Disclosure of items within the Strategic report

The directors have included statements relating to the principal activities of the Company, review of the business, the principal risks and uncertainties facing the Company, financial risk management and going concern in the Strategic report.

Change of Company name

On 31 March 2022, Acal Electronics Holdings Limited changed its name to discoverIE Holdings Ltd.

Future developments

The directors do not anticipate any change in the principal activity of the Company in the foreseeable future.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

S M Gibbins
N J Jefferies
J J Morcom
P H Neville (resigned 3 March 2022)
M F E Pangels
P G Webster (resigned 3 March 2022)

Post balance sheet events

There were no matters arising, between the balance sheet date and the date on which these financial statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10, Events after the Reporting Period. The following important non-adjusting event should be noted:

On 30 June 2022, the Company acquired a 100% shareholding in CDT 123 Limited for an initial consideration of £5m on a debt free, cash free basis, before expenses.

The acquisition was funded by additional borrowings by the Company under the multi-currency Group revolving credit facility referred to in note 15.

On 28 September 2022, the Company acquired from its fellow group undertaking Contour Holdings Limited, the shares in Contour Electronics Limited for a total consideration of £18,529,000.

Directors' report (continued)

Directors' indemnities

The Articles of the Company contain an indemnity in favour of the directors, which is a Qualifying Third Party Indemnity within the meaning of s.234 of the Companies Act 2006 and is in force at the time of the approval of this report and financial statements.

In addition, each director of the Company has entered into a Deed of Indemnity with the Company, which operates only in excess of any right to indemnity that a director may enjoy under any such other indemnity or contract of insurance.

The Company has also arranged appropriate insurance cover in respect of legal action against its directors and officers.

Suppliers, customers and others

The directors' regards to the needs of the Company's business relationships with suppliers, customers and others and its impact on the Company's operations and principal decision making during the year has been included within the Section 172 statement in the Strategic report on pages 3 and 4.

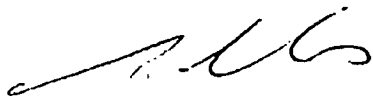
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report of which the auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Reappointment of independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board



S M Gibbins
Director

Date: 30th September 2022

Statement of directors' responsibilities statement in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 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 101 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 company will continue in business.

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

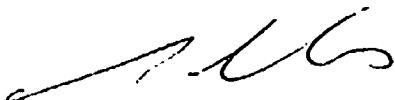
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



S M Gibbins
Director

Date: 30th September 2022

Independent auditors' report to the members of discoverIE Holdings Ltd (formerly Acal Electronics Holdings Limited)

Report on the audit of the financial statements

Opinion

In our opinion, discoverIE Holdings Ltd (formerly Acal Electronics Holdings Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2022; the Profit and loss account and the Statement of changes in equity for the year 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 company 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

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires 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 year ended 31 March 2022 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 company and its 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 in respect of the financial statements, 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 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 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Company law and the Waste Electrical and Electronic Equipment Regulations 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and taxation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate reported results and management bias in making accounting estimates. Audit procedures performed by the engagement team included:

- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations;
- Testing unusual or unexpected journal entries; and
- Challenging assumptions and judgements made by management in significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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.

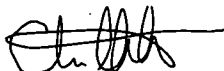
Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Christopher Hibbs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London
30 September 2022

Profit and loss account
for the year ended 31 March 2022

| | Note | 2022 £'000 | 2021 £'000 |
|--|------|----------------|---------------|
| Other operating expenses | | (1,246) | (955) |
| Operating loss | 4 | (1,246) | (955) |
| Loss on sale of investments | 12 | (1,167) | – |
| Income from shares in group undertakings | 7,12 | 15,899 | 17,653 |
| Interest receivable and similar income | 8 | 699 | 386 |
| Interest payable and similar expenses | 9 | (2,610) | (1,824) |
| Profit before taxation | | 11,575 | 15,260 |
| Tax on profit | 10 | 312 | 278 |
| Profit for the financial year | | 11,887 | 15,538 |

The results of the current and prior year arise solely from continuing operations.

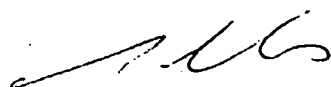
There are no items of comprehensive income other than the profit attributable to the shareholders of the Company of £11,887k in the year ended 31 March 2022 (2021 - £15,538k).

The notes on pages 14 to 26 form part of these financial statements.

Balance sheet
at 31 March 2022

| | Note | 2022 £'000 | 2021 £'000 |
|--|-------|------------------|------------------|
| Fixed assets | | | |
| Investments | 12 | 210,535 | 156,468 |
| Current assets | | | |
| Debtors | 13 | 46,485 | 15,671 |
| Cash at bank and in hand | | 3,297 | 697 |
| | | 49,782 | 16,368 |
| Creditors: amounts falling due within one year | 14 | (162,286) | (101,945) |
| Net current liabilities | | (112,504) | (85,577) |
| Total assets less current liabilities | | 98,031 | 70,891 |
| Creditors: amounts falling due after more than one year | 15 | (48,623) | (18,370) |
| Net assets | | 49,408 | 52,521 |
| Capital and reserves | | | |
| Called up share capital | 16,17 | 4 | 4 |
| Share premium account | 17 | – | 39,996 |
| Profit and loss account | 17 | 49,404 | 12,521 |
| Total Shareholders' funds | | 49,408 | 52,521 |

The financial statements on pages 11 to 26 were approved by the Board of Directors on 30th September 2022 and signed on its behalf by:



S M Gibbins
Director

The notes on pages 14 to 26 form part of these financial statements.

Statement of changes in equity
for the year ended 31 March 2022

| | Called up share capital £'000 | Share premium account £'000 | Profit and loss account £'000 | Total share- holders' funds £'000 |
|---|-------------------------------------|--------------------------------------|-------------------------------------|--|
| At 1 April 2020 | 4 | 39,996 | 1,983 | 41,983 |
| Profit for the year | – | – | 15,538 | 15,538 |
| Total comprehensive income for the year | – | – | 15,538 | 15,538 |
| Contributions by and distributions to owners | | | | |
| Dividends (note 11) | – | – | (5,000) | (5,000) |
| Total contributions by and distributions to owners | – | – | (5,000) | (5,000) |
| At 31 March 2021 | 4 | 39,996 | 12,521 | 52,521 |
| Profit for the year | – | – | 11,887 | 11,887 |
| Total comprehensive income for the year | – | – | 11,887 | 11,887 |
| Contributions by and distributions to owners | | | | |
| Dividends (note 11) | – | – | (15,000) | (15,000) |
| Transfer of reserves* | – | (39,996) | 39,996 | – |
| Total contributions by and distributions to owners | – | (39,996) | 24,996 | (15,000) |
| At 31 March 2022 | 4 | – | 49,404 | 49,408 |

*On 9 March 2022, the share premium account was cancelled and transferred to distributable reserves.

The notes on pages 14 to 26 form part of these financial statements.

Notes to the financial statements

for the year ended 31 March 2022

1. Statutory information

The Company is a private company limited by shares which is incorporated in England and Wales and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given in the Company information on page 1. The principal activities of the Company and the nature of its operations are set out in the Strategic report on page 2.

On 31 March 2022, Acal Electronics Holdings Limited changed its name to discoverIE Holdings Ltd.

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, unless otherwise stated, and are presented in pounds sterling and all values are rounded to the nearest thousand except as otherwise indicated.

The financial statements have been prepared and approved by the directors in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), applicable accounting standards and the Companies Act 2006.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2022.

Disclosure exemptions adopted

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 *Share-based Payment*;
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 *Business Combinations*.
- The requirements of paragraph 33(c) of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.
- The requirements of IFRS 7 *Financial Instruments: Disclosures*.
- The requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*.
- The requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of: i. paragraph 79(a)(iv) of IAS 1; ii. paragraph 73(e) of IAS 16 *Property, Plant and Equipment*; and iii. paragraph 118(e) of IAS 38 *Intangible Assets*.
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*.
- The requirements of IAS 7 *Statement of Cash Flows*.
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
- The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures*.
- The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of Assets*.

The Company's ultimate parent undertaking, discoverIE Group plc, includes the Company in its consolidated financial statements, and therefore where required equivalent disclosures are included in the financial statements of discoverIE Group plc. The consolidated financial statements of discoverIE Group plc are prepared in accordance with UK-adopted International Accounting Standards and are available to the public and may be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, England, GU2 7AH.

Notes to the financial statements

for the year ended 31 March 2022

2. Accounting policies (continued)

New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2022 which have a material impact on the Company.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2022 reporting period and have not been early adopted by the Company. None of these are expected to have a material impact on the Company's financial results in the current or future reporting periods.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been described in the Strategic report on page 2.

The directors have assessed the impact of a prolonged worsening of the economic environment caused by potential escalation of the Ukraine conflict, significant reduction in consumer demand due to inflationary pressures and potential resurgence of Covid-19 pandemic. No adjustments to the key estimates and judgements that impact the Balance Sheet as at 31 March 2022 have been identified as a result of these.

The ultimate parent undertaking, discoverIE Group plc, has agreed to provide financial support to the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the Balance sheet. The discoverIE Group plc has significant financial resources, sells a wide portfolio of different products across a diverse set of industries and geographies, has a global supply chain network and has well-established relationships with its customers. The discoverIE Group plc has carried out a going concern assessment taking into account the impact of sensitivities which show that it is well placed to support the Company for the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Group financial statements

These financial statements have been prepared for the individual Company only. The Company has utilised the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements as the result of the Company and its subsidiaries are included in the consolidated financial statements of the ultimate parent undertaking which are publicly available (as set out in note 19).

Notes to the financial statements

for the year ended 31 March 2022

2. Accounting policies (continued)

Administrative Expenses

Expenses are recognised in profit or loss when there is a decrease in future economic benefit related to a decrease in an asset or an increase in liability, other than those relating to distributions to equity participants that have arisen and can be measured reliably.

Income from shares in group undertakings

Dividend income from shares in group undertakings includes dividend income from subsidiaries. Dividend income is recognised when the Company's right to receive payment is established.

Interest receivable and similar income

Revenue is recognised as interest accrues using the effective interest method.

Interest payable and similar expenses

Interest payable is charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Investments

Fixed asset investments are shown at cost less provision for impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the Balance sheet date and the resultant gains or losses on translation are included in the Profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the financial statements for the year ended 31 March 2022

2. Accounting policies (continued)

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- *where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;*
- *in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and*
- *deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.*

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the reporting date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the Profit and Loss account.

Dividends payable

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the shareholders at the AGM.

Financial Instruments

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Unconditional receivables and payables are recognised as assets or liabilities when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash. However, recognition of financial assets to be acquired and financial liabilities to be incurred as a result of a firm commitment to purchase or sell goods or services, such as trade receivables and trade payables, is usually delayed until at least one of the parties has performed under the agreement and the ordered goods or services have been shipped, delivered or rendered.

A forward contract that is within the scope of IFRS 9, such as a forward foreign exchange contract, is recognised as an asset or a liability on the commitment date when the fair value of the right and obligation are usually equal and the net fair value of the forward contract on initial recognition is zero. If the net fair value of the right and obligation is not zero, the contract is recognised as an asset or liability.

Except for trade receivables without a significant financing component, a financial asset or a financial liability that is not measured through profit or loss (FVTPL) is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to the financial statements

for the year ended 31 March 2022

2. Accounting policies (continued)

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in the Profit and Loss account.

Offsetting financial instruments

Financial assets and liabilities are only offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and the liability simultaneously.

Allowance for Expected Credit Losses

The Company measures loss allowances for financial assets, including trade receivables, at an amount equal to lifetime expected credit losses (ECLs). This requires consideration of both historical and forward-looking information when considering potential impairment of trade receivables. A provision matrix is used to calculate the expected credit loss, which is based upon historical observed default rates adjusted for forward looking information to create an adjusted default rate, which is applied over the outstanding invoices at the balance sheet date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, such as a significant change in the credit risk profile of a customer, a debt has become significantly overdue or a contract default.

Write-down of financial assets

The gross carrying amount of a financial asset is written down to its recoverable amount when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. It principally employs forward foreign exchange contracts to hedge the risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

Notes to the financial statements

for the year ended 31 March 2022

3. Significant accounting estimates and judgements

There are no judgements, assumptions and estimations uncertainties as at March 2022 that could result in a material adjustment to the carrying value of assets and liabilities in the next financial year.

The following include information about judgements, assumptions and estimation uncertainties as at 31 March 2022 that are not considered significant and should not result in a material adjustment to the carrying amount of assets and liabilities in the next financial year:

Value of investments: At each reporting date, the Company reviews the carrying value of its investments to determine whether there is any indication that the investments are impaired. If such an indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss, if any.

4. Operating loss

The operating loss for the year has been arrived at after crediting/(charging):

| | 2022 £'000 | 2021 £'000 |
|------------------------------|---------------|---------------|
| Foreign exchange gain/(loss) | 50 | (1) |

The audit fee of £6k (2021 - £6k) was borne by a fellow group undertaking in both years.

5. Directors' remuneration

The directors also provide services to other group undertakings and received remuneration from a fellow group undertaking, discoverIE Management Services Limited in respect of services to the Group. It is not possible to identify the proportion of this remuneration that relates to services to this Company.

6. Staff costs

The Company had no employees other than the directors in either year; who are employed through a fellow group undertaking discoverIE Management Services Limited and no amount has been recharged to the Company as explained in note 5.

Notes to the financial statements
for the year ended 31 March 2022

7. Income from shares in group undertakings

| | 2022 £'000 | 2021 £'000 |
|---------------------------|---------------|---------------|
| Dividend income (note 12) | 15,899 | 17,653 |

8. Interest receivable and similar income

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Interest receivable on amounts owed from fellow group undertakings | 679 | 386 |
| Interest on bank deposits | 20 | - |
| | <u>699</u> | <u>386</u> |

9. Interest payable and similar expenses

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Interest on bank loans and overdrafts | 871 | 388 |
| Interest payable on amounts owed to fellow group undertakings | 1,739 | 1,436 |
| | <u>2,610</u> | <u>1,824</u> |

Notes to the financial statements

for the year ended 31 March 2022

10. Tax on profit

(a) Tax on profit

The tax credit is made up as follows:

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Current tax: | | |
| UK corporation tax credit on profit for the financial year | (361) | (307) |
| Overseas tax | 29 | 29 |
| Adjustments to current tax in respect of prior years | 20 | – |
| Total current taxation | (312) | (278) |

(b) Factors affecting the current tax credit for the year.

The tax assessed for the year 2022 is lower (2021 – lower) than the standard rate of corporation tax in the UK of 19% (2021 – 19%). The differences are explained below:

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Profit before taxation | 11,575 | 15,260 |
| Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021 – 19%) | 2,199 | 2,899 |
| Effects of: | | |
| Non-taxable dividend income | (3,021) | (3,354) |
| Adjustments to current tax in respect of prior years | 20 | – |
| Withholding tax on dividend income | 29 | 29 |
| Non-deductible expenses | 461 | 148 |
| Total tax credit for the year (note 10a) | (312) | (278) |

(c) Factors affecting future tax charges

An increase in the UK corporation tax rate to 25% had been substantively enacted at 31 March 2022, with effect from 1 April 2023. On 23 September 2022, it was announced that the corporation tax rate increase was to be cancelled, with the rate to remain at 19%.

Notes to the financial statements

for the year ended 31 March 2022

11. Dividends

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Interim dividend of £3,659 (2021 - £1,220) per ordinary share paid during the year | <u>15,000</u> | <u>5,000</u> |

The directors are not proposing a final dividend (2021 - £nil).

12. Investments

| | Shares in group undertakings £'000 |
|-----------------------------------|---|
| Cost | |
| At 1 April 2021 | 162,415 |
| Additions | 66,771 |
| Disposals | (12,704) |
| At 31 March 2022 | <u>216,482</u> |
| Provision for impairment | |
| At 1 April 2021 and 31 March 2022 | <u>5,947</u> |
| Net book value | |
| At 31 March 2022 | <u>210,535</u> |
| At 31 March 2021 | <u>156,468</u> |

As at 31 March 2022 the Company's undertakings were as follows:

| Name | Country of incorporation and registration | Nature of business | Percentage of ordinary share capital held |
|----------------------------------|--|------------------------|---|
| Directly held | | | |
| discoverIE Europe Holding BV | Netherlands | Holding company | 100% |
| discoverIE France Holdings SAS | France | Holding company | 100% |
| Variohm Holdings Limited | England | Holding company | 100% |
| discoverIE Electronics Limited | England | Holding company | 100% |
| Sedgemoor Limited | England | Holding company | 1% |
| Cursor Controls Holdings Limited | England | Holding company | 100% |
| discoverIE US Holdings Inc | USA | Holding company | 100% |
| Xi-Tech Limited | England | Holding company | 100% |
| Antenova Limited | England | Design & Manufacturing | 100% |
| MTC Micro Tech Components GmbH | Germany | Design & Manufacturing | 100% |
| EMC Innovation Co. Limited | South Korea | Design & Manufacturing | 100% |
| Noratec Canada Inc | Canada | Design & Manufacturing | 100% |
| Coil-Tran de Mexico SA de CV | Mexico | Design & Manufacturing | 85% |
| Acal BFi Iberia SL | Spain | Dormant | 100% |
| Acal Electronics Limited | England | Dormant | 100% |

Notes to the financial statements

for the year ended 31 March 2022

12. Investments (continued)

| Name | Country of incorporation and registration | Nature of business | Percentage of ordinary share capital held |
|---|--|---------------------------|--|
| Indirectly held | | | |
| discoverIE BV | Netherlands | Holding company | 100% |
| Aramys SAS | France | Holding company | 100% |
| Hectronic AB | Sweden | Design & Manufacturing | 100% |
| Myrra SAS | France | Design & Manufacturing | 100% |
| Myrra Power Sp Zoo | Poland | Design & Manufacturing | 100% |
| Zhongshan Myrra Electronic Co Ltd | China | Design & Manufacturing | 100% |
| Myrra Hispania Srl | Spain | Dormant | 100% |
| Myrra Germany GmbH | Germany | Design & Manufacturing | 100% |
| Myrra Hong Kong Ltd | Hong Kong | Design & Manufacturing | 100% |
| Flux A/S | Denmark | Design & Manufacturing | 100% |
| Flux International Ltd | Thailand | Design & Manufacturing | 100% |
| Foss AS Fiberoptisk Systemsalg | Norway | Design & Manufacturing | 100% |
| Foss Fibre Optics s.r.o | Slovakia | Design & Manufacturing | 100% |
| Heason Technology Limited | England | Design & Manufacturing | 100% |
| Herga Technology Limited | England | Design & Manufacturing | 100% |
| Variohm-Eurosensor Limited | England | Design & Manufacturing | 100% |
| EWAC Holding B.V. | Netherlands | Design & Manufacturing | 100% |
| Santon Holland B.V. | Netherlands | Design & Manufacturing | 100% |
| Santon Group B.V. | Netherlands | Design & Manufacturing | 100% |
| Santon Switchgear Limited | England | Design & Manufacturing | 100% |
| Santon Circuit Breaker Services B.V. | Netherlands | Design & Manufacturing | 100% |
| Santon Hekendorpstraat B.V. | Netherlands | Design & Manufacturing | 100% |
| Santon International B.V. | Netherlands | Design & Manufacturing | 100% |
| Santon GmbH | Germany | Design & Manufacturing | 100% |
| Cursor Controls Limited | England | Design & Manufacturing | 100% |
| NSI bvba | Belgium | Design & Manufacturing | 100% |
| Positek Limited | England | Design & Manufacturing | 100% |
| Coil-Tran LLC (trading as Hobart Electronics) | USA | Design & Manufacturing | 100% |
| Coil-Mag LLC (trading as IMAG Electronics) | USA | Design & Manufacturing | 100% |
| Sens-Tech Limited | England | Design & Manufacturing | 100% |
| Noratel North America LLC | USA | Design & Manufacturing | 100% |
| Noratel Power Engineering LLC | USA | Design & Manufacturing | 100% |
| Phoenix America LLC | USA | Design & Manufacturing | 100% |
| Limator Hungaria Kft | Hungary | Design & Manufacturing | 100% |
| Limator GmbH | Germany | Design & Manufacturing | 100% |
| Limator Solutions GmbH | Germany | Design & Manufacturing | 100% |
| Logic PD, Inc | USA | Design & Manufacturing | 100% |
| Calculagraph Company | USA | Design & Manufacturing | 100% |
| BFI Optilas Ltd | England | Dormant | 100% |
| BFI Optilas Denmark A/S | Denmark | Dormant | 100% |
| discoverIE North America LLC | USA | Dormant | 100% |
| Ixthus Instrumentation Limited | England | Dormant | 100% |

The full registered address of all of the above companies is provided in the financial statements of the ultimate parent undertaking, discoverIE Group plc.

On 6 August 2021, the Company made a further investment in its subsidiary company, discoverIE US Holdings Inc, of £43,597k.

On 25 August 2021, the Company completed the acquisition of 100% of the share capital of Antenova Limited for cash consideration of £20,884k. Full details of the acquisition are available in the group financial statements of the parent undertaking, discoverIE Group plc, which are publicly available.

On 15 February 2022, the Company purchased 100% of the share capital of its indirectly held subsidiary, discoverIE Electronics Limited from discoverIE France Holdings SAS for £2,290k.

Notes to the financial statements

for the year ended 31 March 2022

12. Investments (continued)

On 3 March 2022, the Company completed the sale of the Acal BFi group. This transaction included the disposal of the following subsidiaries:

Directly held:

Acal BFi UK Limited
Acal BFi Central Procurement UK Limited

Indirectly held:

Acal BFi Italy Srl
Acal BFi Belgium NV/SA
Acal BFi Netherlands BV
Acal BFi Nordic AB
Acal BFi Germany GmbH
Acal BFi France SAS

The Company received net initial cash consideration of £6,537k and deferred consideration of £5,000k. The investments had a book value of £12,704k generating a loss on disposal of £1,167k. Full details of the disposal are available in the group financial statements of the parent undertaking, discoverIE Group plc, which are publicly available.

During the year, the Company received the following dividends:

| | 2022 £'000 | 2021 £'000 |
|--------------------------------|---------------|---------------|
| discoverIE Europe Holding BV | 3,338 | – |
| Variohm Holdings Limited | 2,600 | 2,900 |
| Plitron Manufacturing Inc | 587 | 578 |
| Sedgemoor Limited | 15 | 18 |
| MTC Micro Tech Components GmbH | – | 1,407 |
| Xi-Tech Limited | 5,000 | 12,750 |
| Cursor Controls Limited | 2,500 | – |
| Antenova Limited | 1,859 | – |
| | 15,899 | 17,653 |

In the opinion of the directors, the aggregate value of the net assets of the Company consisting of shares in, or amounts owing from the above subsidiaries and associated undertakings, is not less than the aggregate amount at which those net assets are included in the Company's Balance sheet.

13. Debtors

| | 2022 £'000 | 2021 £'000 |
|------------------------------------|---------------|---------------|
| Due within one year | | |
| Amounts owed by group undertakings | 41,104 | 15,364 |
| Other debtors | 5,020 | – |
| Corporation tax | 361 | 307 |
| | 46,485 | 15,671 |

Amounts owed by fellow group undertakings includes £5,276k (2021 – £5,276k) that bore interest at sterling base rate plus a margin of 1.75% (2021 – 1.75%) and is repayable on demand. An amount of £2,000k (2021 – £2,000k) bore interest at sterling three month LIBOR plus a margin of 3% (2021 – 3%) and is repayable by September 2028. A further amount of £33,616k (2021 – £8,077k) bore interest at USD one month LIBOR plus a margin of 2% (2021 – 2%) and is repayable on demand.

Other debtors include deferred consideration of £5,000k on the sale of Acal BFi UK Limited and Acal BFi Central Procurement UK Limited.

Notes to the financial statements

for the year ended 31 March 2022

14. Creditors: amounts falling due within one year

| | 2022 £'000 | 2021 £'000 |
|------------------------------------|-----------------------------|-----------------------------|
| Bank overdraft | 32,069 | 31,456 |
| Amounts owed to group undertakings | 126,168 | 67,882 |
| Other creditors | 4,000 | 2,594 |
| Accruals | 49 | 13 |
| | 162,286 | 101,945 |

An amount owed to parent undertaking of £70,000k (2021 – £20,000k) bore interest at a sterling base rate plus a margin of 1.75% (2021 – 1.75%) and is repayable on demand. An amount owed to parent undertaking of £8,469k (2021 – £8,077k) bore interest at USD one month LIBOR plus a margin of 2% (2021 – 2%) and is repayable on demand.

15. Creditors: amounts falling due after more than one year

| | 2022 £'000 | 2021 £'000 |
|-------------------|-----------------------------|-----------------------------|
| Secured bank loan | 48,623 | 18,000 |
| Other creditors | – | 370 |
| | 48,623 | 18,370 |

The Group has a £180m syndicated banking facility which extends to June 2026, together with a £60m accordion increasing the total facility to £240m if required. The syndicated facility is available both for acquisitions and for working capital purposes and comprises 6 lending banks.

At 31 March 2022 the drawdown allocated to discoverIE Holdings Ltd is £48,623k (2021 – £18,000k). Any drawdown bears interest on the aggregate of margin and the relevant base rate. Margin varies between 1.25% and 2.65% and is based on the leverage of the enlarged group of which the Company is a member. The relevant base rates are SOFA and SONIA (2021 – LIBOR). The facility is secured against the assets of certain fellow discoverIE Group plc subsidiaries.

Notes to the financial statements

for the year ended 31 March 2022

16. Called up share capital

| | 2022 No. | 2022 £'000 | 2021 No. | 2021 £'000 |
|---|-------------|---------------|-------------|---------------|
| Authorised, called up and fully paid: Ordinary shares of £1 each | 4,100 | 4 | 4,100 | 4 |

17. Reserves

The following describes the nature and purpose of each reserve within equity:

| | |
|--------------------------------|--|
| Called up share capital | Nominal value of shares issued. |
| Share premium account | Amount subscribed for share capital in excess of nominal value. |
| Profit and loss account | Cumulative profits or losses, net of dividends paid and other adjustments. |

18. Guarantees and financial commitments

The Company is a guarantor to the Group's Revolving Credit Facility which is provided by a syndicate of banks.

19. Ultimate parent company and controlling party

The immediate and ultimate parent undertaking and controlling party is discoverIE Group plc, a company incorporated in England and Wales.

The parent undertaking of the smallest and largest group that prepares group financial statements and of which the Company is a member is discoverIE Group plc. Copies of the group financial statements of discoverIE Group plc can be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, England, GU2 7AH.

20. Events after the Reporting Period

There were no matters arising, between the balance sheet date and the date on which these financial statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10, Events after the Reporting Period. The following important non-adjusting event should be noted:

Acquisition

On 30 June 2022, the Company acquired a 100% shareholding in CDT 123 Limited for an initial consideration of £5m on a debt free, cash free basis, before expenses.

The acquisition was funded by additional borrowings by the Company under the multi-currency Group revolving credit facility referred to in note 15.

On 28 September 2022, the Company acquired from its fellow group undertaking Contour Holdings Limited, the shares in Contour Electronics Limited for a total consideration of £18,529,000.

Revolving Credit Facility

On 3 May 2022, the Group increased its syndicated banking facility from £180m to £240m and extended the remaining term of the facility by two years out to four years ending in June 2026, with an option exercisable by the Group to extend the facility by a further year to June 2027. In addition, the Group has an £80m accordion facility which it can use to extend the total facility up to £320m.