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Company registration number 03944613 (England and Wales)

BOURNS (UK) ACQUISITION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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COMPANIES HOUSE

BOURNS (UK) ACQUISITION LIMITED

COMPANY INFORMATION

Directors	G Bourns A Yost
Secretary	G Hyde
Company number	03944613
Registered office	Manton Lane Bedford Bedfordshire MK41 7BJ
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

BOURNS (UK) ACQUISITION LIMITED

CONTENTS

BOURNS (UK) ACQUISITION LIMITED

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report for the year ended 31 December 2022.

Business review
The group is principally engaged in the provision of power semiconductors products to support the telephone system protection, electronic lighting and general-purpose power markets, in particular the manufacture and supply of voltage protection components.
On a consolidated basis, group turnover was £69.6m (2021: £55m) and profit for the financial year was £5.1m (2021: £1.5m). The company declared and paid a dividend of £Nil (2021: £Nil).
Profit after tax has been impacted by increased sales to significant customers due to a global shortage of semiconductors.
Supply chains have stabilised from the initial challenges during the pandemic.

Principal risks and uncertainties
The group's activities expose it to a number of financial risks including currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised as follows:

Currency risk
The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The group's sales and cost of sales are denominated principally in US Dollars which provides a natural hedge.

Credit risk
The group's principal financial assets are bank balances and cash. Majority of debtors and creditor balances are intercompany balances. Forecasted cash balances are reported on a regular basis to group.

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses intra group debt financing as necessary.

As a more general point, the board has considered the broader political and economic uncertainties. There was minimal impact in the year to 31 December 2022 but these matters are kept under regular review.

Financial key performance indicators
1. Turnover is a key measure of the group's performance. Sales for the year were £69.6m (2021: £55m).

2. Overall profitability is a key indicator of the group's performance. The result before tax for the financial year was a profit of £7.5m (2021: £2.3m).

3. Working capital management is seen as an important target for the business. At year end, the net current assets level was £25.8m (2021: £20.2m).

4. Net worth is seen as an important target for the business. At year end the level of shareholders' funds were at £45.9m (2021: £40.1m).

The performance of all indicators were in line with expectations. The group has targeted new opportunities to support the worldwide supply of semi-conductor components.

Other key performance indicators
Product lead times were at an average of just over 11.6 weeks through 2022 (2021: 11.6 weeks), and on time delivery, one of the group's KPIs has averaged around 89% (2021: 89%). Wafer fab yields and cost reductions activities remain a key focus with both yield and productivity showing some modest improvements through the year, cooperating activities continue at subcontractor locations to improve overall yields and drive down cost in the face of significant inflationary pressures.

Section 172 statement
As required by Section 172 of the Companies Act, a director of a company must act in the way he or she considers, in good faith, would likely promote the success of the company for the benefit of the shareholders.

In doing so, the directors must have regards, amongst other matters, to the following issues:

- Likely consequences of any decision in the long-term;
- Interests of the group's employees;
- Need to foster the group's business relationships with suppliers/customers and others;
- Impact of the group's operations on the community and environment;
- The group's reputation for high standards of business conduct;
- Need to act fairly between members of the group.

The group's ongoing engagement with stakeholders and consideration of their respective interests in its decision making process is as described below.

Our culture
The group has always espoused a long-term perspective, from its interaction with a prospective acquisition and thereafter shareholder meetings held alongside the publication of the group's financial results for full year.

Customers and suppliers
Our companies operate in global niche markets and hence reputation is key to our ongoing success. Maintaining a strong reputation with our customer base by providing products and service of the highest quality is therefore of paramount importance. Likewise, we have long standing close relationships with our suppliers.

Employees
A key to the group's success has been its engaged workforce. The group's directors, alongside our management team, work hard to provide a positive work environment with opportunities for all our staff to grow and achieve their potential with a strong culture of reward & recognition, employee development and regular proactive communications.

Community and environment
Bourns Limited is actively engaged with local secondary schools and Colleges of further education promoting careers in engineering with presentations to students and providing opportunities for short and permanent placements. Bourns Limited is a contributor to the 2019 U.N. Global Compact Communication on Progress (COP) through activities to reuse water and waste heat combined with safe recycling of packaging.

On behalf of the board

Al Yost
....
A Yost
Director

Date: 31/7/2023

BOURNS (UK) ACQUISITION LIMITED

GROUP DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2022.

Principal activities
The principal activity of the company is activities of head offices and the principal activity of the group continued to be that of the provision of power semiconductor products to support the telephone system protection, electronic lighting and general purpose power markets, in particular the manufacture and supply of voltage protection components.

Results and dividends
The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Bourns
A Yost

Qualifying third party indemnity provisions
The group has not provided qualifying third party indemnity provisions in respect of the directors who were in office during the year.

Research and development
The group continues to engage in the development of new products into productions at the Wafer Fab in Bedford and its subcontractor partners. Research and development costs incurred in the year were written off to the profit and loss account, these amounted to £0.1m (2021: £0.2m).

Employee involvement
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Future developments
The group's businesses are committed to the development of innovative products whilst continually seeking the opportunity to grow in new and existing markets.

Auditor
The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Energy and carbon report
The group and parent company are required to report on their emissions, energy consumption or energy efficiency activities to the extent that the company or any of its subsidiaries is individually required to report these amounts. The company itself has not consumed more than 40,000 kWh of energy in this reporting period so is not required to report on its own energy usage. The company's subsidiaries are not individually required to report on their energy usage due to either not meeting the company size requirements, or not being based in the United Kingdom.

BOURNS (UK) ACQUISITION LIMITED

GROUP DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial and risk management objectives and policies
In accordance with S414c(11) of the Companies Act 2006, the directors have presented this information in the Strategic Report.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

Going concern
In preparing these financial statements, the directors have assessed the ability of the group to continue to operate for the period of at least twelve months from the date of signing the financial statements.

Inflation in 2022 resulted in significant increases in costs, in particular utilities. Management took steps to mitigate these increases through efficiency improvements and price negotiations. The benefits of these improvements will be felt throughout subsequent years.

Based on current trading performance, the actions that have been taken and the sensitivity and reverse stress testing performed, the directors have a reasonable expectation that the group and parent company has adequate resources to continue in operational existence for a period of at least twelve months from the date of signing these financial statements and accordingly, they continue to adopt the going concern basis in preparing these financial statements.

On behalf of the board

Al Yost
....
A Yost
Director

31/7/2023
Date: ....

BOURNS (UK) ACQUISITION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

On behalf of the board

Al Yost
....
A Yost
Director

BOURNS (UK) ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOURNS (UK) ACQUISITION LIMITED

Opinion

We have audited the financial statements of Bourns (UK) Acquisition Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the group statement of comprehensive income, group and company balance sheets, group and company statement of changes in equity, group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as Brexit, Covid-19 pandemic and the 'cost of living' crisis being driven by high and volatile inflation, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

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

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

BOURNS (UK) ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOURNS (UK) ACQUISITION LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

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

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

BOURNS (UK) ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOURNS (UK) ACQUISITION LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and the parent company and industry in which it operates through our general commercial and secort experience, discussions with management and review of board minutes. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the relevant tax compliance regulations in the jurisdictions in which the group operates. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements such as health and safety and employee matters.
- We enquired of management concerning the group and parent company's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and those charged with governance, whether they were aware of any instance of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members including the potential for fraud in revenue recognition. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - challenging assumptions made by management in its significant accounting estimates;
  - identifying and testing journal entries, in particular journal entries posted with unusual account combinations that increased revenues or reduced costs in the profit and loss account; and
  - assessing the extent of compliance with the relevant laws and regulation as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

BOURNS (UK) ACQUISITION LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BOURNS (UK) ACQUISITION LIMITED (CONTINUED)

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non- compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates;
  - understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation and the applicable statutory provision.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Taras Kulyk, ACCA
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
1/8/2023

BOURNS (UK) ACQUISITION LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £000	2021 as restated £000
Turnover	**3**	69,638	55,062
Cost of sales		(30,262)	(28,905)
Gross profit		39,376	26,157
Administrative expenses		(44,178)	(33,098)
Other operating income	**4**	12,244	9,177
Operating profit	**5**	7,442	2,236
Interest receivable and similar income	**8**	67	42
Interest payable and similar charges	**9**	(8)	(8)
Profit before taxation		7,501	2,270
Tax on profit	**10**	(2,358)	(802)
Profit for the financial year		5,143	1,468
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension scheme		811	(860)
Currency translation differences		111	(664)
Movement on deferred tax related to pension scheme		(251)	97
Total comprehensive income for the year		5,814	41

All activities derive from continuing activities.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The notes on pages 16 to 37 form part of these financial statements.

BOURNS (UK) ACQUISITION LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £000	2022 £000	2021 as restated £000	2021 as restated £000
Fixed assets					
Intangible assets	**11**		9,115		11,280
Tangible assets	**12**		14,109		12,468
			23,224		23,748
Current assets					
Stocks	**15**	15,413		11,360	
Debtors	**16**	14,146		13,980	
Cash at bank and in hand		11,266		7,542	
		40,825		32,882	
Creditors: amounts falling due within one year	**17**	(15,068)		(12,658)	
Net current assets			25,757		20,224
Total assets less current liabilities			48,981		43,972
Provisions for liabilities					
Deferred tax liability	**18**	(2,051)		(1,510)	
			(2,051)		(1,510)
Net assets excluding pension liability			46,930		42,462
Defined benefit pension liability	**19**		(1,012)		(2,358)
Net assets			45,918		40,104
Capital and reserves					
Called up share capital	**20**		10,000		10,000
Share premium account	**21**		65,260		65,260
Merger reserve	**21**		(48,479)		(48,479)
Profit and loss account	**21**		19,137		13,323
Total shareholders' funds			45,918		40,104

The notes on pages 16 to 37 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 31/7/2023 and are signed on its behalf by:

Al Yost

A Yost
Director

BOURNS (UK) ACQUISITION LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	**£000**	**£000**	**£000**	**£000**
Fixed assets					
Investments	**13**		85,589		85,589
Current assets					
Cash at bank and in hand		141		125	
Creditors: amounts falling due within one year	**17**	(97)		(78)	
Net current assets			44		47
Net assets			85,633		85,636
Capital and reserves					
Called up share capital	**20**		10,000		10,000
Share premium account	**21**		65,260		65,260
Profit and loss account	**21**		10,373		10,376
Total shareholders' funds			85,633		85,636

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £3,000 (2021: £18,000 loss).

The notes on pages 16 to 37 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 31/7/2023 and are signed on its behalf by:

Al Yost
....
A Yost
Director

Company Registration No. 03944613

BOURNS (UK) ACQUISITION LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Merger reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2021	10,000	65,260	(48,479)	13,282	40,063
Year ended 31 December 2021:					
Profit for the year	-	-	-	1,468	1,468
Other comprehensive income:					
Actuarial losses on defined benefit plans	-	-	-	(860)	(860)
Currency translation differences	-	-	-	(664)	(664)
Movement on deferred tax related to pension scheme	-	-	-	97	97
Total comprehensive income for the year	-	-	-	41	41
Balance at 31 December 2021	10,000	65,260	(48,479)	13,323	40,104
Year ended 31 December 2022:					
Profit for the year	-	-	-	5,143	5,143
Other comprehensive income:					
Actuarial gains on defined benefit plans	-	-	-	811	811
Currency translation differences	-	-	-	111	111
Movement on deferred tax related to pension scheme	-	-	-	(251)	(251)
Total comprehensive income for the year	-	-	-	5,814	5,814
Balance at 31 December 2022	10,000	65,260	(48,479)	19,137	45,918

BOURNS (UK) ACQUISITION LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Profit and loss account	Total
	£000	£000	£000	£000
Balance at 1 January 2021	10,000	65,260	10,394	85,654
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(18)	(18)
Balance at 31 December 2021	10,000	65,260	10,376	85,636
Year ended 31 December 2022:				
Loss and total comprehensive income for the year	-	-	(3)	(3)
Balance at 31 December 2022	10,000	65,260	10,373	85,633

BOURNS (UK) ACQUISITION LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £000	2022 £000	2021 £000	2021 £000
Cash flows from operating activities					
Cash generated from operations	**25**		9,272		5,465
Income taxes paid			(1,370)		(760)
Net cash inflow from operating activities			7,902		4,705
Investing activities					
Purchase of tangible fixed assets		(4,307)		(3,156)	
Proceeds on disposal of tangible fixed assets		66		88	
Interest received		65		42	
Net cash used in investing activities			(4,176)		(3,026)
Financing activities					
Interest paid		(8)		(8)	
Net cash used in financing activities			(8)		(8)
Net increase in cash and cash equivalents			3,718		1,671
Cash and cash equivalents at beginning of year			7,542		5,744
Effect of foreign exchange rates			(6)		127
Cash and cash equivalents at end of year			11,266		7,542

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Bourns (UK) Acquisition Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Manton Lane, Bedford, Bedfordshire, MK41 7BJ.

The group consists of Bourns (UK) Acquisition Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared on a going concern basis and under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also required group management to exercise judgement in applying the company's accounting policies (see note 2).

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

The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements (being that of Bourns (UK) Acquisition Limited which are available from Companies House).

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Bourns (UK) Acquisition Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where acquisitions meet the criteria for merger accounting in accordance with section 19.27 of FRS 102, the consolidated financial statements incorporate the results of business combinations using the merger accounting method. Consequently, such acquisitions are consolidated as if the group had always owned the subsidiary, including financial results and the financial position for both current and comparative accounting periods.

1 Accounting policies **(Continued)**

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014.

1.3 Going concern

In preparing these financial statements, the directors have assessed the ability of the group to continue to operate for the period of at least twelve months from the date of signing the financial statements.

Inflation in 2022 resulted in significant increases in costs, in particular utilities. Management took steps to mitigate these increases through efficiency improvements and price negotiations. The benefits of these improvements will be felt throughout subsequent years.

Based on current trading performance, the actions that have been taken and the sensitivity and reverse stress testing performed, the directors have a reasonable expectation that the group and parent company has adequate resources to continue in operational existence for a period of at least twelve months from the date of signing these financial statements and accordingly, they continue to adopt the going concern basis in preparing these financial statements.

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Trading entities, namely Bourns Limited, Bourns Electronics (Taiwan) Ltd and Keko Varicon d.o.o., recognise sales when the respective group entities (BINC and BGER) invoice their customers per their Inco terms. These group entities are final sellers and therefore the trading entities get the internal invoice when the primary sale takes place.

Other operating income

Rental income is derived from subletting buildings to a third party.

Other income is commission received from other intercompany entities outside of this group.

Other operating income is derived from warehouse servicing.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.6 Intangible assets - goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life, which was estimated as 10 years.

1.7 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is calculated, using the straight-line method, to allocate the amortisable amount of the assets to their residual values over their estimated useful lives, as follows:

Customer relationships	10 years
Developed technology	5 years
Trademarks	10 years
Goodwill	10 years

Amortisation is included in 'Administrative expenses' in the profit and loss account.

Where there are factors that indicate residual values or useful lives have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment where there are indicators that the carrying amount may be impaired.

1.8 Tangible assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Land and buildings	not depreciated
Buildings	up to 50 years
Leasehold improvements	over 10 years
Plant and machinery	over 3-15 years
Motor vehicles	up to 4 years

1 Accounting policies (Continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under construction are held at cost and are not depreciated until the point at which they are available for use. They are then transferred to an appropriate asset class and depreciated over the useful economic life.

1.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured in a non-discounted basis.

1 Accounting policies **(Continued)**

1.16 Provisions

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

1 Accounting policies **(Continued)**

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:
a) the increase in net pension benefit liability arising from employee service during the period; and
b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest income/cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.20 Foreign exchange

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements
Management do not consider there to be any areas of critical judgement.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Defined benefit pension scheme (note 19)
The group has obligations to pay benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and discount rates. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. For details of assumptions adopted, see note 19.

Impairment of goodwill and investments
The company has a number of investments in subsidiary undertakings. In addition to this, the group has goodwill arising on consolidation. Both goodwill and investments are reviewed annually for any indication of impairment taking into account the expected future cash flows of the subsidiaries. Following these reviews no adjustments to the accounts are necessary, see note 11 and 13.

3 Turnover

	2022	2021
	£000	£000
Turnover analysed by class of business		
Sale of goods	69,009	54,311
Commission	629	525
	69,638	54,836

	2022	2021
	£000	£000
Turnover analysed by country of destination		
United States	46,822	32,929
Europe	15,267	12,331
Asia	5,283	9,485
Rest of world	2,266	91
	69,638	54,836

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

4 Other operating income

	2022 £000	2021 £000
Warehouse services	9,170	6,300
Rental income	516	464
Commission received	2,558	2,413
	12,244	**9,177**

5 Operating profit

	2022 £000	2021 £000
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	(1,099)	397
Research and development costs	229	123
Depreciation of tangible assets	2,825	2,320
Loss/(profit) on disposal of tangible assets	16	(28)
Amortisation of intangible assets	2,165	2,165
Operating lease charges	750	854

6 Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	85	69
Audit of the financial statements of the company's subsidiaries	20	20
	105	89
For other services		
Tax compliance services	21	19
Other taxation services	3	-
Other non-audit services	4	4
	28	23

7 Employees

The average monthly number of persons employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Manufacturing	457	446	-	-
Administration	97	92	-	-
Total	554	538	-	-

Their aggregate remuneration comprised:

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Wages and salaries	14,753	14,881	-	-
Social security costs	1,798	1,532	-	-
Pension costs	1,652	465	-	-
	18,203	16,878	-	-

Key management personnel do not receive any remuneration from the group (2021: £Nil).

No directors (2021: Nil) received any emoluments during the year as it is not practicable to allocate remuneration between their services for Bourns (UK) Acquisition Limited and its subsidiaries and their services as directors for other group companies and remuneration is therefore disclosed in the companies in which it is paid.

8 Interest receivable and similar income

	2022 £000	2021 £000
Interest income		
Interest on bank deposits	67	42

9 Interest payable and similar charges

	2022 £000	2021 £000
Interest on bank overdrafts and loans	-	3
Interest on the net defined benefit liability	8	5
	8	8

10 Taxation

	2022 £000	2021 £000
Current tax		
Adjustments in respect of prior periods	84	22
Foreign current tax on profits for the current period	1,966	1,123
Total current tax	2,050	1,145
Deferred tax		
Origination and reversal of timing differences	237	(398)
Changes in tax rates	-	55
Adjustment in respect of prior periods	71	-
Total deferred tax	308	(343)
Total tax charge	2,358	802

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £000	2021 £000
Profit before taxation	7,501	2,270
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,425	431
Tax effect of expenses that are not deductible in determining taxable profit	40	78
Change in unrecognised deferred tax assets	-	146
Adjustments in respect of prior years	55	16
Effect of change in corporation tax rate	76	73
Research and development tax credit	58	-
Effect of revaluations of investments	-	(21)
Deferred tax adjustments in respect of prior years	428	-
Foreign exchange differences	4	-
Fixed asset differences	(141)	(71)
Foreign tax	413	181
Other movements	-	(31)
Taxation charge	2,358	802

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation **(Continued)**

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £000	2021 £000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	251	(97)

Factors affecting the tax charge for the period
In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11 Intangible assets

Group	Goodwill £000	Customer relationships £000	Developed technology £000	Trademarks £000	Total £000
Cost					
At January 2022 (as restated)	23,198	4,495	5,147	674	33,514
Amortisation and impairment					
At January 2022 (as restated)	18,214	1,146	2,705	169	22,234
Amortisation charged for the year	666	449	983	67	2,165
At 31 December 2022	18,880	1,595	3,688	236	24,399
Carrying amount					
At 31 December 2022	4,318	2,900	1,459	438	9,115
At 31 December 2021	4,984	3,349	2,442	505	11,280

The company had no intangible assets at 31 December 2022 or 31 December 2021.

BOURNS (UK) ACQUISITION LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Tangible assets

Group	Land and buildings	Leasehold improvements	Assets under construction	Plant and machinery	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 January 2022 (as restated)	5,965	603	2,554	39,103	144	48,369
Additions	26	-	4,270	11	-	4,307
Disposals	(67)	(42)	-	(1,449)	(27)	(1,585)
Transfers	374	-	(2,760)	2,386	-	-
Exchange adjustments	97	-	54	282	1	434
At 31 December 2022	6,395	561	4,118	40,333	118	51,525
Depreciation and impairment						
At 1 January 2022 (as restated)	3,430	180	-	32,212	79	35,901
Depreciation	173	16	-	2,604	24	2,817
Disposals	(64)	(42)	-	(1,399)	(27)	(1,532)
Exchange adjustments	48	-	-	182	-	230
At 31 December 2022	3,587	154	-	33,599	76	37,416
Carrying amount						
At 31 December 2022	2,808	407	4,118	6,734	42	14,109
At 31 December 2021	2,535	423	2,554	6,891	65	12,468

The company had no tangible assets at 31 December 2022 or 31 December 2021.

13 Investments

		Group		Company	
		2022	2021	2022	2021
	Note	£000	£000	£000	£000
Investments in subsidiaries	14	-	-	85,589	85,589

13 Investments **(Continued)**

Movements in investments

Company	**Shares in subsidiaries £000**
Cost	
At 1 January 2022 and 31 December 2022	85,589
Net book value	
At 31 December 2022	85,589
At 31 December 2021	85,589

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Bourns Limited	Manton Lane, Bedford, Bedfordshire, MK41 7BJ	Provision of power semiconductor products	Ordinary	100.00	-
Bourns Electronics Limited	Manton Lane, Bedford, Bedfordshire, MK41 7BJ	Agent for distribution of passive electronic components	Ordinary	100.00	-
Power Innovations Limited	Bourns Limited, Manton Lane, Bedford, England, MK41 7BJ	Dormant	Ordinary	100.00	-
Bourns Electronics (Taiwan) Ltd	1, Kung 6th Road, The 2nd Industrial Zone, Lin-Kou District, New Taipei City, Taiwan, R.O.C.	Provision of power semiconductor products	Ordinary	-	100.00
Keko Varicon d.o.o.	Grajski trg 15, 8360 Zuzemberk, Slovenia	Provision of power semiconductor products	Ordinary	-	100.00

The Directors confirm that in accordance with sections 479A and 479C of the Companies Act 2006, Bourns (UK) Acquisition Limited, as parent company of Bourns Limited and Bourns Electronics Limited, has given a parental guarantee to enable those companies to claim exemption from audit. This guarantee relates to the year ended 31 December 2022. The members of these companies have agreed to the exemption from audit by virtue of the guarantee given by Bourns (UK) Acquisition Limited, for the year ended 31 December 2022.

15 Stocks

	Group 2022 £000	**2021 £000**	**Company 2022 £000**	**2021 £000**
Raw materials and consumables	7,791	6,216	-	-
Work in progress	1,588	1,724	-	-
Finished goods and goods for resale	6,034	3,420	-	-
	15,413	11,360	-	-

16 Debtors

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Amounts falling due within one year:				
Trade debtors	664	610	-	-
Corporation tax recoverable	489	106	-	-
Amounts owed by group undertakings	9,260	9,924	-	-
Other debtors	2,764	2,468	-	-
Prepayments	959	842	-	-
	14,136	13,950	-	-
Deferred tax asset (note 18)	10	30	-	-
	14,146	13,980	-	-

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Amounts owed by group undertakings relate to balances due from group undertakings of the wider Bourns Inc. group.

17 Creditors: amounts falling due within one year

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Trade creditors	4,082	3,879	-	-
Amounts owed to group undertakings	4,165	3,917	95	68
Corporation tax payable	1,842	745	-	-
Other taxation and social security	45	149	-	-
Other creditors	1,812	756	-	-
Accruals	3,122	3,212	2	10
	15,068	12,658	97	78

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Amounts owed to group undertakings in the group columns relate to balances due to group undertakings of the wider Bourns Inc. group.

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £000	Liabilities 2021 £000	Assets 2022 £000	Assets 2021 £000
Accelerated capital allowances	1,139	841	10	10
Tax losses	(145)	(84)	-	20
Deferred tax on defined benefit deficit	(209)	(558)	-	-
Acquired intangible assets	909	1,311	-	-
Capital gains	357	-	-	-
	2,051	1,510	10	30

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2022 £000	Company 2022 £000
Net liability at 1 January 2022	1,480	-
Charge to profit or loss	561	-
Net liability at 31 December 2022	2,041	-

19 Retirement benefit schemes

Defined contribution schemes	2022 £000	2021 £000
Charge to profit or loss in respect of defined contribution schemes	1,570	384

The group operate a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged to profit or loss represent contributions payable by the group to the funds.

Defined benefit schemes

The Group operates a Defined Benefit Pension Scheme for employees in Bourns Electronics (Taiwan), Ltd. The scheme is a closed scheme with only full time employees who joined the Company before 1 July 2005 eligible to enter the scheme.

The most recent valuation by a qualified actuary was at 31 December 2022.

The assets of the scheme are held separately from those of the Company.

19 Retirement benefit schemes **(Continued)**

Key assumptions	**2022 %**	**2021 %**
Discount rate	1.1	0.4
Expected rate of salary increases	3.5	3.0

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

	2022 £000	**2021 £000**
Fair value of plan assets	8,878	8,303
Present value of defined benefit obligations	(9,890)	(10,661)
Net pension scheme liability	(1,012)	(2,358)

The amounts recognised in the profit and loss account are as follows:	**2022 £000**	**2021 £000**
Net interest on net defined benefit liability/(asset)	8	5
Other costs and income	82	81
Total costs	90	86

Amounts taken to other comprehensive income	**2022 £000**	**2021 £000**
Actual return on scheme assets	(705)	(147)
Less: calculated interest element	33	24
Return on scheme assets excluding interest income	(672)	(123)
Actuarial changes related to obligations	(156)	975
Total (gains)/losses	(828)	852

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
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19 Retirement benefit schemes **(Continued)**

Movements in the present value of defined benefit obligations:	**2022** **£000**
At 1 January 2022	10,661
Past service cost	82
Benefits paid	(875)
Actuarial gains and losses	(156)
Interest cost	41
Foreign exchange movement	137
At 31 December 2022	9,890

The defined benefit obligations arise from plans which are wholly unfunded.

Movements in the fair value of plan assets:	**2022** **£000**
At 1 January 2022	8,303
Interest income	33
Return on plan assets (excluding amounts included in net interest)	672
Benefits paid	(875)
Contributions by the employer	638
Foreign exchange movement	107
At 31 December 2022	8,878

The group expects to contribute £556k to its defined benefit pension scheme in 2023.

The scheme assets are held for general investments at the Bank of Taiwan Retirement Fund, this is operated by the Taiwanese government with a minimum guaranteed return and individual companies have no discretion on the investment strategy.

20 Called up share capital

Allotted, called up and fully paid	**2022** **Number**	**2021** **Number**	**2022** **£000**	**2021** **£000**
Ordinary shares of £1 each	10,000,002	10,000,002	10,000	10,000

The ordinary shares hold full voting, dividend and capital distribution rights.

21 Reserves

Share premium
This reserve represents the premium arising on the ordinary shares issued. Any transaction costs associates with the issuing of shares are deducted from share premium.

Merger reserve
Represents the premium arising on the ordinary shares issued as consideration for the acquisition of· shares in another group company.

Profit and loss reserves
Profit and loss account includes all accumulated profits and losses, please see the statement of changes in equity for details on the movement in the balance during the year.

22 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Within one year	619	607	-	-
Between two and five years	2,462	2,237	-	-
In over five years	5,264	3,939	-	-
	8,345	6,783	-	-

Lessor
At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		*Company*	
	2022	**2021**	**2022**	**2021**
	£000	**£000**	**£000**	**£000**
Within one year	191	191	-	-
Between two and five years	524	715	-	-
	715	906	-	-

23 Related party transactions

The company has taken advantage of the exemptions under FRS 102 and has not disclosed transactions with *other members of the group headed by Bourns, Inc.*

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

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24 Immediate and ultimate controlling party

The ultimate parent undertaking is Bourns, Inc. a company incorporated in the USA, California.

In the opinion of the Directors there is no ultimate controlling party.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Bourns, Inc.

25 Cash generated from group operations

	2022 £000	2021 £000
Profit for the year after tax	5,143	1,468
Adjustments for:		
Tax on profit	2,358	802
Interest payable and similar expenses	8	8
Interest receivable and similar income	(67)	(42)
Loss/(gain) on disposal of tangible fixed assets	16	(28)
Amortisation of intangible assets	2,165	2,165
Depreciation of tangible fixed assets	2,817	2,320
Foreign exchange movements	(46)	69
FRS 102 pension scheme adjustment	112	(643)
Actuarial (gains)/losses on defined benefit pension scheme	(656)	115
Movements in working capital:		
Increase in stocks	(3,952)	(3,032)
Decrease/(increase) in debtors	405	(1,568)
Increase in creditors	969	3,831
Cash generated from operations	9,272	5,465

26 Analysis of changes in net funds

	At 1 January 2022 £000	Cash flows £000	Exchange rate movements £000	At 31 December 2022 £000
Cash at bank and in hand	7,542	3,732	(8)	11,266

27 Prior period adjustment

During the audit, account balances were identified that were incorrectly classified as administration expenses rather than cost of sales. As such the 2021 comparatives have been restated with £13,296,067 being reclassified from administrative expenses to cost of sales.

During the year, assets were identified that were incorrectly classified as tangible assets rather than intangible. As such 2021 comparatives have been restated with £232,000 being reclassified from plant and machinery to developed techonolgy and £223,000 being reclassified on brought forward depreciation. There is no impact on the overall profit, tax or balance sheet position.