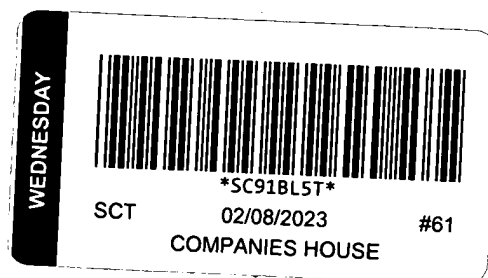


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FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022



FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**OFFICERS AND PROFESSIONAL ADVISERS
YEAR TO 31 DECEMBER 2022**

Company number	SC136640
Directors	Cathy Hwei Lin Dart Guoxiang Cheng Xinyu Zhang Xin Jia Ming Lei
Registered office	Unit 1, 2 Seaward Place Centurion Business Park Glasgow G41 1HH
Bankers	Bank of Scotland plc Glasgow United Kingdom HSBC Bank plc Glasgow United Kingdom
Independent Auditor	Azets Audit Services Chartered Accountants Titanium 1 King's Inch Place Renfrew PA4 8WF

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**ANNUAL REPORT & FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022**

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FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

STRATEGIC REPORT YEAR TO 31 DECEMBER 2022

Review of the business and future developments

The principal activity of the group in the year under review was that of the design and marketing of semi-conductors and associated computer components and products primarily for use in product testing by global electronics manufacturers and in a wide range of electronic products to end users.

Future Technology Devices International Limited primarily services markets in USA, UK, EMEA, APAC and China. The group will continue to focus on these geographical regions and play a support role to its group companies by providing design engineering expertise, know-how, and sales and marketing experience.

In a year where global economic circumstances were still challenging, the performance of the group noted that turnover on continuing operations was 27.8% higher compared to the year before. We are performing stronger in all markets (APAC, UK, EMEA and US). Overall, we are performing better than the industrial mark which is an increase of 7.4% in the electronic manufacturing sector in 2022 compared to the year before. A geographical analysis of sales is shown in the notes to the accounts. The directors have reason to anticipate further growth globally in future years as more new products enter the market. Revenue consolidation in the year was a result of the continuing awareness of the group's technological product benefits throughout the market and a continuing full customer service ethos of the group. The group continues to develop its scope of operations within its global engineering teams as we continue to further develop our products to broaden the product portfolio within both traditional product markets and into new synergistic markets, increasing revenue from within existing and new channels.

We operate in a fast-changing technical market and consider that our risk exposure to such changes is entirely in our own hands and is managed well, as a result of having a strong global technical team of engineers and designers.

Sales remain denominated in several of the main global currencies but predominantly are priced in US dollars. The group always maintains adequate balances on all currencies to limit any exchange rate exposure risk on transaction values.

The directors remain confident in the outlook for Future Technology Devices International Limited. The group's well-established reputation in the marketplace is helping it to secure new business and the continued development of its own products, trading territories and operational performance is yielding revenue and profit growth under improving market conditions.

Financial Key Performance Indicators

The group's key performance indicators in 2023 will be sales, earnings and cashflow.

Going concern

The group is funded by existing cash reserves and the cash flow arising from trading. There is no dependency on third party debt. The directors have prepared trading projections and have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis in preparing the annual financial statements.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

STRATEGIC REPORT YEAR TO 31 DECEMBER 2022

Principal risks and uncertainties

The principal financial risks that the group is exposed to are those relating to foreign currency, credit risk and interest rates. These risks are managed in accordance with group approved policies.

Foreign Currency Risk

It is group policy that exposures resulting from sales and purchases in foreign currency are matched where possible to minimise the exposure to foreign exchange risk.

Credit Risk

Management has a credit policy in place and exposure to credit risk is monitored on an on-going basis. The group is exposed to credit risk from credit sales, and it is group policy to assess credit risk of new and existing customers and to take account of this information in future sales transactions. As at 31 December 2022 there are no significant concentrations of credit risk.

Interest Rate Risk

The group is exposed to a moderate level of interest rate risk on savings and seeks to earn competitive interest rates.

Operational Risk

The principal operational risk is in staying ahead of the competition in innovation and in ensuring on-time delivery of new products to market. A secondary risk, which is widespread throughout the electronics industry, is the potential for reputational damage caused by counterfeit products. The group takes this matter seriously and has an established process in place working with international agencies on detection and eradication.

Section 172

The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') requires Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

The success of our business is dependent on the support of all our stakeholders. Building positive relationships with stakeholders that share our values is important to us and working together towards shared goals assists us in delivering long-term sustainable success.

The governance framework delegates authority for local decision-making at business unit level up to defined levels of cost and impact which allows the business to take account of the needs of their own stakeholders in their decision making.

The leadership teams of each business unit make decisions with a long-term view in mind and with the highest standards of conduct in line with Group policies. In order to fulfil their duties, the Directors take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Where possible, decisions are carefully discussed with affected groups and are therefore fully understood and supported when taken.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

STRATEGIC REPORT YEAR TO 31 DECEMBER 2022

Section 172 (continued)

Shareholders

As owners of our Group, we rely on the support of shareholders and their opinions are important to us. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance, and ethical practices. Shareholder feedback along with details of movements in our shareholder base are regularly reported to and discussed by the Board and their views are considered as a part of decision-making.

Colleagues

Our people are key to our success, and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people including face-to-face briefings, internal communities, and through our anonymous colleague concern line. Key areas of focus include health and well-being, development opportunities, pay and benefits.

Customers

Our ambition is to deliver best-in-class service to trade customers. We build strong lasting relationships with our trade customers and spend considerable time with them to understand their needs and views and listen to how we can improve our offer and service for them. We use this knowledge to inform our decision-making, for example to tailor our proposition to suit customer demands, with fixed range/fixed price models for small trade customers, and more flexible access to a wider product range with volume-related discounting in the businesses.

Suppliers

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews and we also host regular conferences to bring suppliers and customers together to discuss shared goals and build relationships. Key areas of focus include innovation, product development, health and safety and sustainability. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues on a regular basis.

Communities

We engage with the communities in which we operate to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment.

Government and Regulators

We engage with the government and regulators through a range of industry consultations, forums, meetings, and conferences to communicate our views to policy makers relevant to our business. Key areas of focus are compliance with laws and regulations, health and safety and product safety. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

Approved by the Board and signed on its behalf by:



Cathy Dart
Director

Date: 19 May 2023

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

DIRECTORS' REPORT YEAR TO 31 DECEMBER 2022

The directors present their annual report of the affairs of the group together with the consolidated financial statements for the year ended 31 December 2022.

The directors have chosen in accordance with Companies Act 2006, S.414C(11) to set out in the Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management and exposure to risks and uncertainties.

Results and dividends

The consolidated profit for the year, after taxation, amounted to USD 50,726k (2021 profit - USD 12,215k).

Dividends of USD 48,249,620 were declared in the year ended 31 December 2022 (2021 - USD 38,549,447).

Directors

The directors who served during the year and up to the date of approval of the financial statements are:

Cathy Hwei Lin Dart
Guoxiang Cheng
Xinyu Zhang
Xin Jia
Ming Lei

Foreign branches

During the year end 31 December 2022, the group had branches operating in United Kingdom, United States of America, and Singapore. The subsidiary company operates in China. During 2022 a new branch was set up within Future Technology Devices International Limited (China Branch), which operates in ShenZhen.

Streamlined energy and carbon report

Our reported emissions contain reporting of energy and greenhouse gas emissions for the year to 31 December 2022, pursuant to the Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government Streamlined Energy and Carbon Reporting (SECR) policy.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

Our methodology to calculate our greenhouse gas emissions is Greenhouse Gas (GHG) Protocol. GHG Protocol is a common method to quantify organizational-level carbon output. GHG Protocol categorise emissions into three scopes:

- I. *Scope 1 – Direct emissions*
It can come from combustion of natural gas.
- II. *Scope 2 – Indirect emissions from purchased energy*
It can come from purchased energy which depends on two parameters of energy that operating consumes and the GHG output from generating the consumed energy. CO₂ can be emitted per kilowatt-hour of energy in terms of carbon intensity.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**DIRECTORS' REPORT
YEAR TO 31 DECEMBER 2022**

Streamlined energy and carbon report (continued)

iii. Scope 3 – Upstream and downstream supply-chain emissions

It can come from all other activities such as employee business travel where the company is responsible for purchasing the fuel.

UK Greenhouse Gas Emissions
UK Main Office

UK Main Office Greenhouse gas emissions and energy use data for the year ended 31 December 2022:

Energy Source	Consumption (2022)	Scope	Emissions Calculation
Gas – Total kWh used for the year taken from gas bills	6,336 kWh	1	6,336 kWh * 0.18219 (2022 fuels natural gas conversion factor gross CV to kg Co2e) = 1,154.3558 kgCO2e = 1.1544 tCO2e
Electricity – Total kWh used for the year	56,815 kWh	2	56,815 kWh * 0.19338 (2022 electricity conversion factor to kgCO2e) = 10,986.8847 kgCO2e = 10.9869 tCO2e
Transport – Total km travelled for the year	8,366 km	3	8,059 km * 0.1406 (2022 business travel economy class - air conversion factor gross to kgCO2e) = 1,133.0954 kgCO2e = 1.1333 tCO2e
			9 km * 0.1488 (2022 business travel - taxi conversion factor gross to kgCO2e) = 1.3392 kgCO2e = 0.0014 tCO2e
			298 km * 0.0355 (2022 business travel - rail conversion factor gross to kgCO2e) = 10.579 kgCO2e = 0.0106 tCO2e
Accommodation - Total room per night for the year	8 room per night	3	8 room per night * 13.20 (2022 business travel - hotel conversion factor to kgCO2e) = 105.60 kgCO2e = 0.1056 tCO2e
Total	63,151 kWh 8,366 km 8 room per night		13.3922 tCO2e
Intensity ratio			13.3922 tCO2e/8 Staff = 1.67 tCO2e per staff

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**DIRECTORS' REPORT
YEAR TO 31 DECEMBER 2022**

Streamlined energy and carbon report (continued)

UK Main Office Greenhouse gas emissions and energy use data for the year ended 31 December 2021:

Energy Source	Consumption (2021)	Scope	Emissions Calculation
Gas – Total kWh used for the year taken from gas bills	5,813 kWh	1	5,813 kWh * 0.18387 (2021 fuels natural gas conversion factor gross CV to kg Co2e) = 1,068.836 kgCO2e = 1.0688 tCO2e
Electricity – Total kWh used for the year	53,907 kWh	2	53907 kWh * 0.23314 (2021 electricity conversion factor to kgCO2e) = 12,567.88 kgCO2e = 12.5678 tCO2e
Total	59,720 kWh		13.6367 tCO2e
Intensity ratio			13.6367 tCO2e/7 Staffs = 1.95 tCO2e per staff

UK Main Office Greenhouse gas emissions and energy use data for the year ended 31 December 2022:

Energy consumption used to calculate emissions (kWh)	63,151 kWh
Energy consumption breakdown (kWh) (Optional)	
<ul style="list-style-type: none"> • Gas • Electricity 	
Scope 1 emissions in metric tonnes CO2e Gas consumption	1.1544 tCO2e
Scope 2 emissions in metric tonnes CO2e Purchased electricity	10.9869 tCO2e
Scope 3 emissions in metric tonnes CO2e Business travel with public vehicles accommodation	1.2509 tCO2e
Total gross emissions in metric tonnes CO2e	13.3922 tCO2e
Intensity ratio - Tonnes CO2e per staff	1.67 tCO2e

UK Main Office Greenhouse gas emissions and energy use data for the year ended 31 December 2021:

Energy consumption used to calculate emissions (kWh)	59,720 kWh
Energy consumption breakdown (kWh) (Optional)	
<ul style="list-style-type: none"> • Gas • Electricity • Transport – Total Mileage for fly 	
Scope 1 emissions in metric tonnes CO2e Gas consumption Total Scope 1	1.0688 tCO2e
Scope 2 emissions in metric tonnes CO2e Purchased electricity	12.5678 tCO2e
Total gross emissions in metric tonnes CO2e	13.6367 tCO2e
Intensity ration Tonnes CO2e per staff	1.95 tCO2e

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**DIRECTORS' REPORT
YEAR TO 31 DECEMBER 2022**

Streamlined energy and carbon report (continued)

Our Greenhouse Gas Emissions
Branch – SG, US

Branch Greenhouse gas emissions and energy use data for the year ended 31 December 2022:

Energy Source	Consumption (2022)	Scope	Emissions Calculation
Gas – Total kWh used for the year taken from gas bills	3,869 kWh	1	3,869 kWh * 0.18219 (2022 fuels natural gas conversion factor gross CV to kg Co2e) = 704.8931 kgCO2e = 0.7049 tCO2e
Electricity – Total kWh used for the year	130,578 kWh	2	130,578 kWh * 0.19338 (2022 electricity conversion factor to kgCO2e) = 25,251.1736 kgCO2e = 25.2511 tCO2e
Transport – Total km travelled for the year	85,531 km	3	80,496 km * 0.1406 (2022 business travel economy class - air conversion factor gross to kgCO2e) = 11,317.74 kgCO2e = 11.3177 tCO2e
			2,556 km * 0.4078 (2022 business travel business class - air conversion factor gross to kgCO2e) = 1,042.3368 kgCO2e = 1.0424 tCO2e
			244 km * 0.1488 (2022 business travel - taxi conversion factor gross to kgCO2e) = 36.3072 kgCO2e = 0.0363 tCO2e
			2,235 km * 0.0355 (2022 business travel - rail conversion factor gross to kgCO2e) = 79.3425 kgCO2e = 0.0793 tCO2e
Accommodation - Total room per night for the year	32 room per night	3	32 room per night * 13.20 (2022 business travel - hotel conversion factor to kgCO2e) = 422.40 kgCO2e = 0.4224 tCO2e
Total	134,447 kWh 85,531 km 32 room per night		38.8541 tCO2e
Intensity ratio			38.8541 tCO2e/32 Staff = 1.21 tCO2e per staff

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**DIRECTORS' REPORT
YEAR TO 31 DECEMBER 2022**

Streamlined energy and carbon report (continued)

Branch Greenhouse gas emissions and energy use data for the year ended 31 December 2021:

Energy Source	Consumption (2021)	Scope	Emissions Calculation
Gas – Total kWh used for the year taken from gas bills	3,480 kWh	1	3,480 kWh * 0.18387 (2021 fuels natural gas conversion factor gross CV to kg Co2e) = 639.8676 kgCO2e = 0.6399 tCO2e
Electricity – Total kWh used for the year	138,022 kWh	2	138,022 kWh * 0.23314 (2021 electricity conversion factor to kgCO2e) = 32,178.4491 kgCO2e = 32.1784 tCO2e
Transport – Total Petrol reimbursed from staff claim	1,634 Litre	1	1634 Litre *2.16802 (2021 fuels conversion factor to kgCO2e) = 3,542.5447 kgCO2e = 3.5425 tCO2e
Total	141,502 kWh 1,634 Litre		36.3608 tCO2e
Intensity ratio			36.3608 tCO2e/34 Staffs = 1.07 tCO2e per staff

Branch Greenhouse gas emissions and energy use data for the year ended 31 December 2022

Branch – SG, US

Energy consumption used to calculate emissions (kWh)	134,447 kWh
Energy consumption breakdown (kWh) (Optional)	
<ul style="list-style-type: none"> • Gas • Electricity • Transport – Total Mileage 	
Scope 1 emissions in metric tonnes co2e	
Gas consumption	0.7049 tCO2e
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	25.2511 tCO2e
Scope 3 emissions in metric tonnes CO2e	
Business travel with public vehicles, accommodation	12.8981 tCO2e
Total gross emissions in metric tonnes CO2e	38.8541 tCO2e
Intensity ratio - Tonnes CO2e per staff	1.21 tCO2e

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

DIRECTORS' REPORT YEAR TO 31 DECEMBER 2022

Streamlined energy and carbon report (continued)

Branch Greenhouse gas emissions and energy use data for the year ended 31 December 2021:

Energy consumption used to calculate emissions (kWh)	141,502 kWh
Energy consumption breakdown (kWh) (Optional) <ul style="list-style-type: none">• Gas• Electricity• Transport – Total Mileage	
Scope 1 emissions in metric tonnes co2e Gas consumption Transport – Total Petrol Total Scope 1	4.1824 tCO2e
Scope 2 emissions in metric tonnes CO2e Purchased electricity	32.1784 tCO2e
Total gross emissions in metric tonnes CO2e	36.3608 tCO2e
Intensity ration Tonnes CO2e per staff	1.07 tCO2e

Efficiency to use energy is becoming significant as the computing revolution marches forward. Energy efficiency is typically defined as the combination of improving performance while maintaining or reducing energy use. Centred on facility systems is a global effort to improve the energy efficiency of data centres. The single largest energy overhead of facility systems is cooling.

Moore's law can be used to improve energy efficiency which can be achieved by doubling the number of transistors on a chip about every two years through an ever-smaller circuitry. To enhance better performance and improve energy saving, more transistors are needed on single computer chips and less physical distance between them.

Smaller transistors have thinner insulating layers, which can lead to a loss of electrical current through leakage, which will require more power to offset the loss of current. Electrical current leakage has become a greater challenge for engineering as transistors are continually getting smaller. Thus, Moore's law had led many questions whether it will continue at its traditional pace.

Power efficiency is improved in tandem with processor speed as transistors become smaller. Engineers will need to develop creative measures to supplement the slowing energy efficiency gains.

New processor architectures, power management techniques and power efficient technology can make future energy usage reductions, as manufacturing technologies can result in transistor density.

The central processing unit (CPU) of a computer has been designed to run general programming tasks. To improve speed, a variety of complex techniques and algorithms are run serially.

Changing computer workloads can affect the power use of the processors. Most computers run at peak output only a small fraction of the time, often as little as 1 percent.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**DIRECTORS' REPORT
YEAR TO 31 DECEMBER 2022**

Disclosure of information to the auditor

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

- so far as the director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the director has 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 group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Azets Audit Services, Chartered Accountants, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

On behalf of the Board



**Cathy Dart
Director**

Date: 19 May 2023

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT YEAR TO 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company's profit or loss for that period.

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

- select suitable accounting policies and apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS YEAR TO 31 DECEMBER 2022

Opinion

We have audited the financial statements of Future Technology Devices International Limited (the parent company) and its subsidiary (the group) for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the accounts, including 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 accounts:

- give a true and fair view of the state of the group and 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 parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS YEAR TO 31 DECEMBER 2022

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

As explained more fully in the Directors' Responsibilities Statement on page 11, 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 and 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 and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the group and parent company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the group and parent company that were contrary to applicable laws and regulations, including fraud.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS YEAR TO 31 DECEMBER 2022

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and company through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and company, including the Companies Act 2006 and taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the group's legal advisors.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
YEAR TO 31 DECEMBER 2022**

Use of our report

This report is made solely to the parent 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 parent company's members, as a body, 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 parent company and the parent company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Allison Gibson, Senior Statutory Auditor
for and on behalf of Azets Audit Services, Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 19 May 2023

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR TO 31 DECEMBER 2022

	Note	Continued operations	Discontinued operations	2022 Total	Continued operations	Discontinued operations	2021 Total
		USD	USD	USD	USD	USD	USD
Turnover	4A	90,247,144	-	90,247,144	70,607,103	1,362,176	71,969,279
Cost of sales		(21,723,536)	-	(21,723,536)	(14,882,715)	(1,070,585)	(15,953,300)
Gross profit		68,523,608	-	68,523,608	55,724,388	291,591	56,015,979
Administrative expenses		(7,864,007)	-	(7,864,007)	(46,047,811)	(615,630)	(46,663,441)
Operating profit/(loss)	7	60,659,601	-	60,659,601	9,676,577	(324,039)	9,352,538
Other income	4B	-	-	-	3,837,264	-	3,837,264
Interest receivable and similar income	8	289,133	-	289,133	401,382	106	401,488
Interest payable and similar charges	9	(77,150)	-	(77,150)	(61,842)	-	(61,842)
Profit/(loss) on ordinary activities before taxation		60,871,584	-	60,871,584	13,853,381	(323,933)	13,529,448
Taxation	10	(10,145,897)	-	(10,145,897)	(1,314,828)	-	(1,314,828)
Profit/(loss) for the year		50,725,687	-	50,725,687	12,538,553	(323,933)	12,214,620
Other comprehensive income							
Exchange adjustments on the net assets of the subsidiary undertakings		(755,045)	-	(755,045)	(756,229)	-	(756,229)
Total comprehensive income		49,970,642	-	49,970,642	11,782,324	(323,933)	11,458,391
Profit/(loss) for the year attributable to: Owners of the parent company		50,725,687	-	50,725,687	12,538,553	(323,933)	12,214,620
Total comprehensive income for the year attributable to: Owners of the parent company		49,970,642	-	49,970,642	11,782,324	(323,933)	11,458,391

The accompanying notes form an integral part of the statements.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Notes	2022 USD	2021 USD
Fixed assets			
Intangible assets	11	-	-
Tangible assets	12	100,655	158,226
		<u>100,655</u>	<u>158,226</u>
Current assets			
Stocks	14	8,456,075	7,621,187
Debtors: amounts falling due within one year	15	15,860,989	5,281,268
Cash at bank and in hand		11,582,613	10,843,245
		<u>35,899,677</u>	<u>23,745,700</u>
Creditors: amounts falling due within one year	16	(20,367,314)	(9,991,930)
Net current assets		<u>15,532,363</u>	<u>13,753,770</u>
Total assets less current liabilities		<u>15,633,018</u>	<u>13,911,996</u>
Net assets		<u>15,633,018</u>	<u>13,911,996</u>
Capital and reserves			
Called up share capital	20	1,483	1,483
Share premium	21	299,033	299,033
Profit and loss account	21	15,332,502	13,611,480
Equity attributable to owners of the parent company		<u>15,633,018</u>	<u>13,911,996</u>

The financial statements of Future Technology Devices International Limited, company registration number SC136640, were approved by the Board of Directors and authorised for issue on 19 May 2023 by:



Cathy H L Dart
Director

The accompanying notes form an integral part of these financial statements.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Notes	2022 USD	2021 USD
Fixed assets			
Tangible assets	12	98,491	156,978
Investment in subsidiary undertakings	13	2,804,308	2,817,616
		<u>2,902,799</u>	<u>2,974,594</u>
Current assets			
Stocks	14	8,407,674	7,593,824
Debtors: amounts falling due within one year	15	15,816,508	5,148,934
Cash at bank and in hand		6,296,988	4,630,571
		<u>30,521,170</u>	<u>17,373,329</u>
Creditors: amounts falling due within one year	16	(20,253,834)	(9,870,857)
Net current assets		<u>10,267,336</u>	<u>7,502,472</u>
Total assets less current liabilities		<u>13,170,135</u>	<u>10,477,066</u>
Net assets		<u>13,170,135</u>	<u>10,477,066</u>
Capital and reserves			
Called up share capital	20	1,483	1,483
Share premium	21	299,033	299,033
Profit and loss account	21	12,869,619	10,176,550
		<u>13,170,135</u>	<u>10,477,066</u>

No Statement of Comprehensive Income is presented for Future Technology Devices International Limited as permitted by section 408 of the Companies Act 2006. The profit after tax of the parent company for the year was USD 50,942,689 (2021: USD 9,787,162).

The financial statements of Future Technology Devices International Limited, company registration number SC136640, were approved by the Board of Directors and authorised for issue on 19 May 2023 by:



**Cathy Dart
Director**

The accompanying notes form an integral part of these financial statements.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR TO 31 DECEMBER 2022**

	Share capital USD	Share premium USD	Profit and loss account USD	Total Equity USD
At 1 January 2022	1,483	299,033	13,611,480	13,911,996
Comprehensive income for the year				
Profit for the year	-	-	50,725,687	50,725,687
Foreign exchange differences	-	-	(755,045)	(755,045)
Total comprehensive income for the year	-	-	49,970,642	49,970,642
Dividends paid	-	-	(48,249,620)	(48,249,620)
At 31 December 2022	<u>1,483</u>	<u>299,033</u>	<u>15,332,502</u>	<u>15,633,018</u>

	<i>Share capital USD</i>	<i>Share premium USD</i>	<i>Profit and loss account USD</i>	<i>Total Equity USD</i>
At 1 January 2021	1,483	299,033	40,702,536	41,003,052
Comprehensive income for the year				
Profit for the year	-	-	12,214,620	12,214,620
Foreign exchange differences	-	-	(756,229)	(756,229)
Total comprehensive income for the year	-	-	11,458,391	11,458,391
Dividends paid	-	-	(38,549,447)	(38,549,447)
At 31 December 2021	<u>1,483</u>	<u>299,033</u>	<u>13,611,480</u>	<u>13,911,996</u>

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR TO 31 DECEMBER 2022**

	Share capital USD	Share premium USD	Profit and loss account USD	Total Equity USD
At 1 January 2022	1,483	299,033	10,176,550	10,477,066
Comprehensive income for the year				
Profit for the year	-	-	50,942,689	50,942,689
Total comprehensive income for the year	-	-	50,942,689	50,942,689
Dividends paid	-	-	(48,249,620)	(48,249,620)
At 31 December 2022	<u>1,483</u>	<u>299,033</u>	<u>12,869,619</u>	<u>13,170,135</u>
	<i>Share capital USD</i>	<i>Share premium USD</i>	<i>Profit and loss account USD</i>	<i>Total Equity USD</i>
At 1 January 2021	1,483	299,033	38,938,835	39,239,351
Comprehensive income for the year				
Profit for the year	-	-	9,787,162	9,787,162
Total comprehensive income for the year	-	-	9,787,162	9,787,162
Dividends paid	-	-	(38,549,447)	(38,549,447)
At 31 December 2021	<u>1,483</u>	<u>299,033</u>	<u>10,176,550</u>	<u>10,477,066</u>

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR TO 31 DECEMBER 2022**

	2022	2021
	USD	USD
Cash flows from operating activities		
Profit for the financial year	50,725,687	12,214,620
Depreciation of tangible fixed assets	92,035	330,502
Foreign currency exchange difference	(754,919)	46,420
(Gain) on disposal of tangible fixed assets	-	(3,837,264)
(Gain) on disposal of investments	-	(1,435,787)
(Increase)/decrease in stock	(834,888)	1,279,425
(Increase)/decrease in debtors	(9,626,742)	695,383
Increase/(decrease) in creditors	912,849	(25,552,848)
Taxation charge in the year	10,145,897	1,314,828
Movement in corporate tax creditor/debtor	(1,636,341)	(1,975,707)
Interest received	(289,133)	(401,488)
Interest payable	77,150	61,842
Net cash generated from/(used in) operating activities	48,811,595	(17,260,074)
Cash flows from investing activities		
Purchase of tangible fixed assets	(34,590)	(76,171)
Proceeds from sale of fixed assets	-	7,918,669
Proceeds from sale of listed investments	-	2,086,260
Interest received	289,133	401,488
Net cash generated from investing activities	254,543	10,330,246
Cash flows from financing activities		
Short term bank loans repaid	-	(6,162,885)
Interest paid	(77,150)	(61,842)
Dividends paid	(48,249,620)	(34,079,678)
Net cash (used in) financing activities	(48,326,770)	(40,304,405)
Net increase/(decrease) in cash and cash equivalents	739,368	(47,234,233)
Cash and cash equivalents at 1 January	10,843,245	58,077,478
Cash and cash equivalents at 31 December	11,582,613	10,843,245
Analysis of changes in net debt	1 January	31 December
	2022	2022
	USD	USD
Cash and cash equivalents	10,843,245	11,582,613

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR TO 31 DECEMBER 2022

1. GENERAL INFORMATION

These consolidated financial statements are presented in US Dollars (USD), as that is the currency in which the majority of the group's transactions are denominated. They comprise the financial statements of the company and its subsidiary (together 'the group') drawn up for the year ended 31 December 2022.

The continuing activities of Future Technology Devices International Limited is that of the design and marketing of semi-conductors and associated computer components and products primarily for use in product testing by global electronics manufacturers and in a wide range of electronic products to end users. The principal activity of each subsidiary company is shown in note 13 to the financial statements.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the officers and professional advisers page of these financial statements. The company's registered number is SC136640.

2. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company and group accounting policies (see note 3).

The following principal accounting policies have been applied:

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year. Acquisitions are accounted for under the acquisition method.

Subsidiaries which are directly or indirectly controlled by the group are consolidated. Control is achieved where the company has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities, which generally accompanies a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the group controls another entity. The acquisition method of accounting is used by the group when it undertakes a business combination. The fair value of consideration transferred at the acquisition date includes the fair value of assets transferred, liabilities incurred by the owners and equity instruments issued by the group.

Consideration can include cash, and contingent consideration. The fair value of assets acquired, and liabilities assumed are recognised at the acquisition date.

The consolidated financial statements are based on the financial statements of the individual companies drawn up using the standard group accounting policies. Accounting policies applied by individual subsidiaries have been revised where necessary to ensure consistency with group policies for consolidation purposes.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR TO 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

All significant intra-group transactions and balances between group entities are eliminated on consolidation.

Going concern

The group's business activities, together with the factors likely to affect its future prospects, are discussed in the Strategic Report.

The current and future financial position of the group and company, its cash flows and liquidity position has been reviewed by the directors. Following this review, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

Turnover

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

Sale of goods

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

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

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR TO 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 10% on a straight line basis
Plant and equipment	- 25% on a straight line basis
Fixtures and fittings	- 25% on a straight line basis
Computer equipment	- 25% on a straight line basis

No depreciation charge is recorded in respect of assets under construction until they fully come into use.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Impairment of assets

At each reporting period, the group reviews the carrying amounts of its tangible 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).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income immediately.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is defined as the cost of production including overheads, where applicable. Net realisable value represents the estimated sales price less costs to sell.

Taxation

Current tax including UK corporation tax and foreign tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessment in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR TO 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

Intangible assets – intellectual property

Intellectual property assets are included at cost net of amortisation and any provision for impairment. Assets are amortised over their useful economic lives, which the Directors have deemed to be 5 years.

Intangible assets – computer software

Computer software assets are included at cost net of amortisation and any provision for impairment. Assets are amortised over their useful economic lives, which the Directors have deemed to be 5 years.

Foreign currency

The group has presentational currency of US Dollars (USD). The group has determined that US Dollars (USD) is also the functional currency of the economic environment in which the group operates.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of financial liabilities that are designated as hedges of the net investment in a foreign operation and qualifying cash flow hedges, each of which are recognised in equity, via other comprehensive income.

In the case of foreign entities, the financial statements of the group's overseas operations are translated as follows on consolidation: assets and liabilities, at exchange rates ruling on the reporting date, income and expense items at the average rate of exchange for the period and equity at exchange rates ruling on the dates of the transactions. Exchange differences arising are classified as equity via other comprehensive income. Such translation differences are recognised in the Statement of Comprehensive Income in the period in which the operation is disposed of.

Foreign currency gains and losses are reported on a net basis.

Pension costs

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the Statement of Comprehensive Income in the period to which they relate.

Operating leases

Rentals under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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 approximately three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR TO 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Provision for liabilities

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

Provisions are charged as an expense to the 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.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR TO 31 DECEMBER 2022

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

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies.

The directors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the impairment assessment of the carrying value of the investment in the subsidiary, which is based on the overall carrying value of net assets.

4.A TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group detailed in the Strategic Report.

An analysis of turnover by geographical market is given below:

	2022	<i>Restated</i>
	USD	<i>2021</i>
		<i>USD</i>
APAC	38,342,844	<i>32,114,502</i>
USA	24,731,530	<i>18,780,795</i>
EMEA	13,639,902	<i>9,456,613</i>
UK	13,532,868	<i>11,617,369</i>
	<u>90,247,144</u>	<i><u>71,969,279</u></i>

The 2021 comparative figures above have been reclassified to correctly disclose sales totalling \$8,088,137 which were derived from USA sales, rather than APAC sales.

4.B OTHER INCOME

	2022	<i>2021</i>
	USD	<i>USD</i>
Profit on sale of tangible fixed assets by subsidiary	-	<i>2,888,248</i>
Profit on sale of tangible fixed assets by parent company	-	<i>949,016</i>
	<u>-</u>	<i><u>3,837,264</u></i>

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022**

5. STAFF COSTS

The following disclosure relates to staff costs (excluding executive directors).

	2022 USD	<i>2021 USD</i>
Wages and salaries	3,329,946	22,815,960
Social security costs	323,344	452,381
Pension costs	56,833	105,838
	<u>3,710,123</u>	<u>23,374,179</u>

The average number of employees (excluding executive directors) during the year was as follows:

	2022 No.	<i>2021 No.</i>
Sales and administration	19	39
Engineers & technical	27	30
	<u>46</u>	<u>69</u>

6. DIRECTORS' REMUNERATION

The directors received the following remuneration:

	2022 USD	<i>2021 USD</i>
Directors' remuneration		
Emoluments	548,939	19,985,707
Pension costs	-	-
	<u>548,939</u>	<u>19,985,707</u>
	2022 No.	<i>2021 No.</i>
Number of directors who are members of money purchase pension scheme	-	-
	<u>-</u>	<u>-</u>
Highest paid director		
Emoluments	548,939	19,930,707
	<u>548,939</u>	<u>19,930,707</u>

The key management personnel are considered to be the directors of the company and the Chief Operating Officer.

	2022 USD	<i>2021 USD</i>
Total emoluments paid to key management personnel including pension contributions	<u>555,160</u>	<u>39,097,171</u>

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022**

7. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2022 USD	2021 USD
Depreciation – owned assets	92,035	330,502
Amortisation of intangible assets	-	-
Foreign exchange (gains)	(75,755)	(28,714)
Research and development expenditure	703,486	747,601
Operating leases – land and buildings	338,774	388,346
Auditor's remuneration		
Fees payable to the group's auditor for the audit of the group's annual accounts	46,500	39,250
Fees payable to the group's auditor for tax services	12,870	11,700
Total group auditor's remuneration	<u>59,370</u>	<u>50,950</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 USD	2021 USD
Interest receivable	281,300	67,316
Income from current asset investment	-	261,414
Government grant income	7,833	72,758
	<u>289,133</u>	<u>401,488</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2022 USD	2021 USD
Other finance charges	77,150	61,842
	<u>77,150</u>	<u>61,842</u>

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022**

10. TAXATION

	2022	2021
	USD	USD
Analysis of tax charge		
The tax charge on the profit on ordinary activities for the year was as follows:		
Current tax	-	-
Adjustment in respect of previous years (foreign tax)	(58,057)	123,530
Foreign tax suffered	11,318,805	2,056,512
Total current tax	11,260,748	2,180,042
Deferred tax movement (note 17)	(1,114,851)	(865,214)
Tax charge on profit on ordinary activities	10,145,897	1,314,828
Profit on ordinary activities before tax	60,871,584	13,529,448
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 – 19%)	11,565,601	2,570,595
Effect of:		
Expenses not deductible for tax purposes	-	224,425
Foreign PE exemption	(12,501,428)	(1,668,291)
Adjustments to give tax charge for year	11,319,126	1,773,966
Adjustment to tax charge in respect of previous periods	(58,057)	123,530
Remeasurement of deferred tax for changes in tax rates	(268,973)	(211,650)
Adjustment to deferred tax charge in respect of previous periods	-	1,405,626
Fixed asset differences	26,072	(23,007)
Chargeable gains/(losses)	-	12,339
Deferred tax not recognised	(3,122)	(2,634,841)
Effect of profit charged at effective tax rate of 25% in respect of Chinese subsidiary	(19,411)	168,720
Timing differences between accounting and taxable profit in respect of Chinese subsidiary	86,089	(426,584)
	10,145,897	1,314,828

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022**

11. INTANGIBLE FIXED ASSETS

Group	Computer software USD	Intellectual property USD	Total USD
Cost			
At 1 January 2022 and 31 December 2022	17,849	37,509	55,358
Disposals	(17,849)	(37,509)	(55,358)
	<u>-</u>	<u>-</u>	<u>-</u>
Amortisation			
At 1 January 2022 and 31 December 2022	17,849	37,509	55,358
Disposals	(17,849)	(37,509)	(55,358)
	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022

12. TANGIBLE FIXED ASSETS

Group	Short leasehold USD	Plant & equipment USD	Fixtures & fittings USD	Computer equipment USD	Total USD
Cost					
At 1 January 2022	253,057	59,204	143,561	404,093	859,915
Additions	-	-	3,192	31,398	34,590
Translation differences	-	(539)	(2,452)	(2,501)	(5,492)
At 31 December 2022	<u>253,057</u>	<u>58,665</u>	<u>144,301</u>	<u>432,990</u>	<u>889,013</u>
Depreciation					
At 1 January 2022	220,781	59,143	139,915	281,850	701,689
Charge for the year	21,368	-	3,772	66,895	92,035
Translation differences	-	(532)	(2,429)	(2,405)	(5,366)
At 31 December 2022	<u>242,149</u>	<u>58,611</u>	<u>141,258</u>	<u>346,340</u>	<u>788,358</u>
Net book value					
At 31 December 2022	<u>10,908</u>	<u>54</u>	<u>3,043</u>	<u>86,650</u>	<u>100,655</u>
At 31 December 2021	<u>32,276</u>	<u>61</u>	<u>3,646</u>	<u>122,243</u>	<u>158,226</u>

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022

12. TANGIBLE FIXED ASSETS (continued)

Company	Short Leasehold USD	Plant & equipment USD	Fixtures & fittings USD	Computer equipment USD	Total USD
Cost					
At 1 January 2022	253,057	54,213	120,863	380,934	809,067
Additions	-	-	3,192	29,457	32,649
At 31 December 2022	<u>253,057</u>	<u>54,213</u>	<u>124,055</u>	<u>410,391</u>	<u>841,716</u>
Depreciation					
At 1 January 2022	220,781	54,213	117,380	259,715	652,089
Charge for year	21,368	-	3,724	66,034	91,136
At 31 December 2022	<u>242,149</u>	<u>54,213</u>	<u>121,114</u>	<u>325,749</u>	<u>743,225</u>
Net book value					
At 31 December 2022	<u>10,908</u>	<u>-</u>	<u>2,941</u>	<u>84,642</u>	<u>98,491</u>
At 31 December 2021	<u>32,276</u>	<u>-</u>	<u>3,483</u>	<u>121,219</u>	<u>156,978</u>

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022**

13. FIXED ASSET INVESTMENTS

	Company 2022 USD	<i>Company 2021 USD</i>
Subsidiary undertakings – cost of investment	6,757,523	<i>6,773,659</i>
Provision for impairment	(3,953,215)	<i>(3,956,043)</i>
Net book value	<u>2,804,308</u>	<i><u>2,817,616</u></i>

The parent company has investments in the following subsidiary undertakings:

Subsidiary undertakings	Principal business address and country of incorporation	Principal Activity	Holding	%
Future Technology Devices International Limited (China Branch)	Room 1103, No. 666 West Huaihai Road, ChangNing District, Shanghai, China	Sales Office	Ordinary shares	100%

Future Technology Devices International Limited (China Branch) was acquired in 2012 and has been held as an investment throughout the current year.

14. STOCKS

	Group 2022 USD	<i>Group 2021 USD</i>	Company 2022 USD	<i>Company 2021 USD</i>
Work in progress	1,067,024	<i>1,025,379</i>	1,067,024	<i>1,025,379</i>
Finished goods	7,389,051	<i>6,595,808</i>	7,340,650	<i>6,568,445</i>
	<u>8,456,075</u>	<i><u>7,621,187</u></i>	<u>8,407,674</u>	<i><u>7,593,824</u></i>

Stock recognised in cost of sales during the year as an expense for the group was \$20,653,331 and for the company was \$20,593,257 (2021: group \$15,116,189, company \$15,044,368).

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 USD	Group 2021 USD	Company 2022 USD	Company 2021 USD
Trade debtors	8,954,366	3,658,650	8,946,928	3,650,543
Amounts due by related parties (note 23)	3,003,032	10,383	3,003,032	10,383
Other debtors	82,537	88,268	46,596	44,498
Corporation tax asset	-	161,872	-	95,926
Recoverable sales tax	5,733	14,128	5,733	8,082
Prepayments and accrued income	1,835,256	482,753	1,834,154	480,161
Deferred tax asset (note 17)	1,980,065	865,214	1,980,065	859,341
	<u>15,860,989</u>	<u>5,281,268</u>	<u>15,816,508</u>	<u>5,148,934</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 USD	Group 2021 USD	Company 2022 USD	Company 2021 USD
Trade creditors	1,411,212	1,870,001	1,411,213	1,866,852
Other creditors	6,488,650	5,078,239	6,487,359	5,076,034
Other taxes and social security	2,819	4,304	-	-
Accruals and deferred income	645,558	654,232	536,188	542,817
Sales tax payable	678,323	706,937	678,322	706,937
Corporation tax	11,140,752	1,678,217	11,140,752	1,678,217
	<u>20,367,314</u>	<u>9,991,930</u>	<u>20,253,834</u>	<u>9,870,857</u>

HMRC have been granted a £400,000 import guarantee and standby letter of credit in respect of any amounts owed by the company and group.

The Bank of New York Mellon hold a fixed charge over the assets of the company. A negative pledge is also held in place by The Bank of New York Mellon.

17. DEFERRED TAX

	Group 2022 USD	Group 2021 USD	Company 2022 USD	Company 2021 USD
Deferred tax (asset)/liability is recorded as follows:				
Provision at 1 January	(865,214)	-	(859,341)	-
Deferred tax movement	(1,114,851)	(865,214)	(1,120,724)	(859,341)
Asset at 31 December (note 15)	<u>(1,980,065)</u>	<u>(865,214)</u>	<u>(1,980,065)</u>	<u>(859,341)</u>

Analysis of the deferred tax asset is as follows:

Accelerated capital allowances	(1,979,779)	(865,053)	(1,979,779)	(859,180)
Short term timing differences	(286)	(161)	(286)	(161)
Deferred tax asset	<u>(1,980,065)</u>	<u>(865,214)</u>	<u>(1,980,065)</u>	<u>(859,341)</u>

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022****18. OPERATING LEASE COMMITMENTS**

	Group 2022 USD	<i>Group 2021 USD</i>	Company 2022 USD	<i>Company 2021 USD</i>
The future minimum operating lease payments committed to be paid are as follows:				
Expiring:				
Not later than one year	245,736	276,261	166,762	143,452
Later than one year and not later than 5 years	-	142,732	-	54,192
	245,736	418,993	166,762	197,644

19. COMMITMENTS AND CONTINGENCIES

Other than operating lease commitments (note 18), there are no commitments of which the directors are aware to be reported as at 31 December 2022 in respect of the group and company (2021: \$nil).

20. CALLED UP SHARE CAPITAL

	2022 USD	<i>2021 USD</i>
Called up, allotted, and fully paid		
1,000 ordinary shares of £1 each		
Ordinary A	148	148
Ordinary B	1,335	1,335
	1,483	1,483

Ordinary A shares and Ordinary B Shares have full voting rights.

21. RESERVES**Profit and loss account**

The profit and loss account includes all current and prior year retained profits or losses less dividends paid.

Share premium

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

22. ULTIMATE CONTROLLING PARTY

The immediate parent company is FTDI Holding Limited. Copies of the financial statements for FTDI Holding Limited can be obtained from 291 Brighton Road, South Croydon, CR2 6EQ.

There is no ultimate controlling party.

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. RELATED PARTY DISCLOSURES

During the year the company paid rent in the United Kingdom totalling USD 141,189 (2021: USD 89,339) to a partnership of which Mr. F.T. Dart & Mrs. C.H.L. Dart are members. During the year the company paid rent to Mr.F.T Dart & Mrs C.H.L Dart totalling USD nil (2021: USD 30,243) for use of premises in Singapore.

	2022 USD	2021 USD
Craig Cleland Limited		
Craig Cleland Limited is a company controlled by Ian D H Craig (resigned as a director 7 December 2021)		
Services purchased from Craig Cleland Limited	-	11,558
Amounts due to Craig Cleland Limited	-	2,400
Michael Paul Baker		
Michael Paul Baker was a director of the company (resigned 7 December 2021)		
Services purchased from Michael Paul Baker	-	16,530
Bridgetek Pte Limited		
Bridgetek Pte Limited is a Singapore company controlled by Frederick T Dart		
Goods supplied to Bridgetek Pte Limited	41,700	1,690,337
Goods purchased from Bridgetek Pte Limited	1,724,931	1,449,486
Staff seconded to Bridgetek Pte Limited	-	109,551
Included in debtors – amount due by related undertakings	1,967	-
Connective Peripherals Pte Limited		
Connective Peripherals Pte Limited is a Singapore company in which Cathy H L Dart is a shareholder, and Frederick T Dart is a director		
Goods purchased from Connective Peripherals Pte Limited	52,209	26,047
Goods supplied to Connective Peripherals Pte Limited	18,974	321,550
Included in debtors – amount due by related undertakings	-	9,573
Consideration paid by Connective Peripherals for Chinese property	-	5,956,518

FUTURE TECHNOLOGY DEVICES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR TO 31 DECEMBER 2022**

23. RELATED PARTY DISCLOSURES (continued)

	2022 USD	2021 USD
Connective Peripherals Pte Limited		
Consideration paid by Connective Peripherals for FTDI Taiwan branch	-	640,000
Cathy H L Dart		
Advances made to director	53,135,486	19,746,233
Amounts repaid to director	50,135,231	19,865,308
Included in debtors – amount due by related undertakings	3,001,065	810
7130 Fir Loop LLC		
7130 Fir Loop LLC is a company in which Frederick T Dart is a director		
Property purchased from Future Technology Devices International Limited	-	1,500,000
Rent paid to 7130 FIR LOOP LLC	70,919	-
F T Dart, C H L Dart & H C Wang – firm		
Firm in which Frederick T Dart and Cathy Hwei Lin Dart are trustees		
Rent paid to F T Dart, C H L Dart & H C Wang	141,189	89,339
Property purchased from Future Technology Devices International Limited	-	492,264
Stoneyford Investment Limited		
Shareholder of Future Technology Devices International Limited		
Dividend paid	7,937,858	33,106,207
Dividend payable included within Other Creditors	1,538,468	4,469,769
Dormwood Limited		
Former shareholder of Future Technology Devices International Limited		
Dividend paid	-	973,471

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**NOTES TO THE FINANCIAL STATEMENTS
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23. RELATED PARTY DISCLOSURES (continued)

	2022	2021
	USD	USD
FTDI Holding Limited		
Shareholder of Future Technology Devices International Limited		
Dividend paid	<u>34,303,692</u>	<u>-</u>
Dividend payable included within Other Creditors	<u>4,469,602</u>	<u>-</u>

All balances with related parties are unsecured for cash settlement in accordance with usual terms.

24. DISCONTINUED OPERATIONS

On 22 April 2021 Future Technology Devices International Limited entered into a sale and purchase agreement to dispose of its Taiwan branch. The company sold the business of developing and manufacturing two of its products, along with stock and fixed assets, for a total consideration of \$640,000. There were no significant costs associated with this discontinuation. In 2021, The loss of \$9,144 on disposal of the Taiwan branch is included within the discontinued operations within the Consolidated Statement of Comprehensive Income.