

Company Registration No. 01823478 (England and Wales)

ADDER TECHNOLOGY LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2021**

ADDER TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors	A C Dickens N A Dickens
Secretary	N A Dickens
Company number	01823478
Registered office	West Walk Building 110 Regent Road Leicester LE1 7LT
Auditor	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT
Business address	Saxon Way Bar Hill Cambridge CB23 8SL
Bankers	Barclays Bank Plc Chesterton Business Centre 28 Chesterton Road Cambridge CB4 3AZ

ADDER TECHNOLOGY LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Profit and loss account	9
Group statement of comprehensive income	10
Group balance sheet	11
Company balance sheet	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Notes to the financial statements	16 - 29

ADDER TECHNOLOGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their strategic report for the year ended 30 June 2021.

Fair review of the business

The directors aim to present a balanced and comprehensive review of the development, performance, and health of the group during the year, and of its position at the year end. The review is consistent with the size of the group and is written in the context of the perceived risks and uncertainties that the group faces.

A global market leader in connectivity solutions, Adder Technology enables the real-time control and management of distributed IT systems. With a presence in over 60 countries, Adder works with a network of distributors, resellers, and OEMs to connect millions of devices worldwide. Adder continues to strive to be a thought leader, aiming to deliver excellence through innovation.

Through the period of this reported financial year, Covid-19 was a prominent force which required regular review and management. Many government announcements, changing practises, and constant uncertainty continued throughout the period including multiple national lockdowns in the UK and in various of our Asian manufacturing locations. The BREXIT transition period also came to an end on 31st December 2020. This caused some initial delays with shipments into Europe, but fortunately settled down without any long-term impact. The business continues to monitor changes related to the UK separation from the EU. Despite this unprecedented period of uncertainty, the business continued to operate fully, including onsite only functions such as manufacturing and logistics. Globally, those who could effectively work remotely were able to.

Particularly from the second half of this reported period, significant supply chain issues emerged as a new challenge that required agility and adaptation. The developing global shortage of semiconductors has led to higher supply costs and in some cases simply not enough supply to meet our needs. The business has managed the situation to the best of its ability and used its agility to work around the constraints as much as possible. This has included, in some cases, rapidly redesigning products to make use of more available semiconductor devices. To help accommodate rapidly rising supply side costs, the group implemented a global price increase across all products effective from 1st February 2022. Continuing upward supply-side inflation is being closely monitored to ensure we achieve the optimum balance between remaining highly competitive, whilst also maintaining sufficient margin to support continuing growth.

Despite these severe impacts and a period of unprecedented global uncertainty, Adder was able to perform and deliver another successful year, returning to growth in both revenue and profit terms. Notable highlights include the addition of a new KVM extender range, XD600 Series, incorporating MST (Multi-stream Transport) functionality, a HDMI compatible Zero-U Infinity transmitter was launched, along with new functionality for Adder's high-end Infinity 4000 Series product range, now featuring HDR10 capability. Adder's popular ipeps+ remote access KVM also underwent an upgrade to support multiple displays. We successfully launched a new partner portal service and have continued to build our presence in Latin America by appointing a new partner in Mexico, specialising in broadcast and Pro-AV. Furthermore, as well as continuing to develop products, services and partners, Adder was also recognised for the performance of some of its people with various awards celebrated from Sales (Inavate EMEA 40 under 40: Class of 2020) through to Operations (The Manufacturer Top 100 awards). Finally, Adder was recognised in 'The Sunday Times HSBC International Track 200' awards for the second year running as one of the UK's top businesses with fastest growing international sales.

We believe that the financial KPIs (Key Performance Indicators) for the group are turnover and gross profit margin, these represent the overall financial performance and strength of the group business. The group has again performed strongly, returning to growth in revenue and profit terms despite the continued challenge of Covid-19, BREXIT, and the global supply chain uncertainty. During the year turnover increased by 6.4% whilst the gross profit margin changed from 70.5% in 2020 to 69.3% in 2021. These results reflect the sustained and targeted investment in developing new technology, effective product innovation, global market development, continued investment in our staff and facilities and the ability of the business to manage uncertainty effectively and with agility. The group's commitment to research and development has continued, despite the challenges discussed, and will continue to do so in the future to ensure that the group remains at the leading edge.

ADDER TECHNOLOGY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

The principal risks and uncertainties of the group are continually monitored by the directors, who seek to mitigate any such risks, the effective reaction to the impact of Covid-19 is an example. The key business risks and threats to the group are primarily: competition, the global economic environment, reliable operation of our supply chains, and attracting and retaining a talented high calibre workforce. The group responds to these risks by continually developing the product range whilst maintaining a strong brand identity, efficient and agile management of unforeseen operating conditions, improving operational effectiveness and resilience, and a sharp focus on people as a competitive advantage enabling asset.

The results display the group's ability to succeed in extremely challenging global and local economic conditions, benefiting from a proven business model built on agility and resilience. By developing, investing in, and growing a positive culture, Adder continues to strive for a united sense of purpose and ambition that reflects the diversity of the group's markets as well as its agility to respond quickly to customer needs. The business has proven it can prosper even in the toughest of conditions.

The group operates on an international basis and continues to serve its customers through strategically located sales and support centres which provide localised services in the major time zones and languages. The group covers North America from offices covering East Coast (MA), Central (AZ) and West Cost (CA), the Asia Pacific region from offices in Singapore, Shanghai, and Tokyo. EMEA from the group's headquarters in Cambridge, UK and offices in Germany, Spain, The Netherlands and France.

The group's growth is the product of a consistent strategy together with the commitment, creativity, and integrity of a dedicated worldwide team. The group will continue to take the following strategic approach:

- Invest significantly in "pushing back" the boundaries of connectivity technology.
- Ensure the effective innovation of high-performance quality products.
- Continued investment in developing markets and revenue regions across the globe.
- Provide increasing levels of technical support and service to our customers.
- Invest in retaining and attracting a high calibre, talented team of people.
- Invest in Continuous Improvement and Lean methodologies to pursue elimination of all 'waste' within the operation of the business.
- Remain agile so we can quickly adapt to changing environments, building in organisational resilience wherever possible.

By focusing on these aspects, the directors believe that the group can sustain longer term organic growth into the future and expect that the group will make further progress in the years ahead.

Shortly before completing this strategic report, Russia began a full-scale invasion of Ukraine on 24th February 2022. It is still too early to assess the medium term impacts this action will have on the global economy, supply chains and politics, but we will continue to monitor and take actions as appropriate. Adder has developed business in Russia over many years and works with distribution partners there. In common with a great many organisations, Adder has paused all business with Russia with immediate effect. Whilst this will result in loss of sales and possible credit collection issues, neither is likely to be of material significance relative to the Group's global operations.

On behalf of the board

A C Dickens

Director

25 March 2022

ADDER TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activities of the group continued to be those of design, development, manufacture and distribution of computer system connectivity solutions.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £1,600,000. The directors do not recommend payment of a final dividend.

Directors

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

A C Dickens

N A Dickens

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). 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, and of the profit or loss of the 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;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7. It has done so in respect of important events occurring since the year end date, research and development activities and branches of the company outside the UK.

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 and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

ADDER TECHNOLOGY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

On behalf of the board

A C Dickens
Director

25 March 2022

ADDER TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADDER TECHNOLOGY LIMITED

Opinion

We have audited the financial statements of Adder Technology Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent company's affairs as at 30 June 2021 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 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

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 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 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ADDER TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ADDER TECHNOLOGY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. However, responsibility for the prevention and detection of fraud ultimately rests with both those charged with governance and management of the group and company.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

ADDER TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ADDER TECHNOLOGY LIMITED

- obtaining an understanding of the legal and regulatory framework applicable to the group and company by considering the nature of the industry in which the group and company operates and enquiring of management; and
- identifying the key laws and regulations considered to have a direct impact on the financial statements including the UK Companies Act 2006, UK Generally Accepted Accounting Practice and UK tax legislation; and
- assessing how the group and company is complying with the applicable legal and regulatory framework by making further enquiries of management and observing the group's and company's control environment regarding compliance with regulations and fraud prevention; and
- assessing the susceptibility of the group's and company's financial statements to material misstatement, including how fraud might occur, by considering the effectiveness of the group's and company's accounting systems and controls and how these were monitored by management. Where the risk of material misstatement was considered to be higher in certain areas, further audit procedures were designed to address this increased risk; and
- discussing amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit response to risk of irregularities identified

Our procedures to respond to risks identified included the following:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- enquiry of staff responsible for compliance to identify any instances of non-compliance with laws and regulations; and
- enquiry of management, those charged with governance and other relevant parties around actual and potential litigation claims; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- communicating identified laws and regulations and potential fraud risks to all engagement team members and assessing whether there are any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%e2%80%99s-r>

This description forms part of our auditor's report.

ADDER TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ADDER TECHNOLOGY LIMITED

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.

Christopher Castleman FCA (Senior Statutory Auditor)

For and on behalf of Newby Castleman LLP

28 March 2022

Chartered Accountants

Statutory Auditor

West Walk Building

110 Regent Road

Leicester

LE1 7LT

ADDER TECHNOLOGY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	£	£
Turnover	3	30,488,842	28,657,862
Cost of sales		(9,371,454)	(8,454,675)
Gross profit		<u>21,117,388</u>	<u>20,203,187</u>
Distribution costs		(385,667)	(862,121)
Administrative expenses		(14,986,691)	(14,219,207)
Other operating income		300,671	112,215
Operating profit	4	<u>6,045,701</u>	<u>5,234,074</u>
Interest receivable and similar income	8	45,437	123,185
Profit before taxation		<u>6,091,138</u>	<u>5,357,259</u>
Taxation	9	620,883	315,560
Profit for the financial year		<u><u>6,712,021</u></u>	<u><u>5,672,819</u></u>
Profit for the financial year is attributable to:			
- Owners of the parent company		6,700,725	5,660,646
- Non-controlling interests		11,296	12,173
		<u><u>6,712,021</u></u>	<u><u>5,672,819</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ADDER TECHNOLOGY LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	£	£
Profit for the year	6,712,021	5,672,819
Other comprehensive income		
Currency translation differences	(50,654)	8,056
Total comprehensive income for the year	<u>6,661,367</u>	<u>5,680,875</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	6,650,071	5,668,702
- Non-controlling interests	11,296	12,173
	<u>6,661,367</u>	<u>5,680,875</u>

ADDER TECHNOLOGY LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Goodwill	11		310,729		350,557
Other intangible assets	11		-		41,500
			<u>310,729</u>		<u>392,057</u>
Total intangible assets			310,729		392,057
Tangible assets	12		5,792,699		5,973,975
			<u>6,103,428</u>		<u>6,366,032</u>
Current assets					
Stocks	15	3,846,498		5,153,288	
Debtors	16	6,849,523		4,877,678	
Cash at bank and in hand		23,604,198		18,426,073	
			<u>34,300,219</u>		<u>28,457,039</u>
Creditors: amounts falling due within one year	17	(3,680,913)		(2,984,811)	
			<u>30,619,306</u>		<u>25,472,228</u>
Net current assets			30,619,306		25,472,228
Total assets less current liabilities			<u>36,722,734</u>		<u>31,838,260</u>
Creditors: amounts falling due after more than one year	18		-		(176,893)
			<u>36,722,734</u>		<u>31,661,367</u>
Net assets			<u>36,722,734</u>		<u>31,661,367</u>
Capital and reserves					
Called up share capital	22		100		100
Profit and loss reserves	23		36,666,537		31,616,466
			<u>36,666,637</u>		<u>31,616,566</u>
Equity attributable to owners of the parent company			36,666,637		31,616,566
Non-controlling interests			56,097		44,801
			<u>36,722,734</u>		<u>31,661,367</u>

The financial statements were approved by the board of directors and authorised for issue on 25 March 2022 and are signed on its behalf by:

A C Dickens
Director

ADDER TECHNOLOGY LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	11		-		41,500
Tangible assets	12		646,922		751,096
Investments	13		607,064		607,064
			<u>1,253,986</u>		<u>1,399,660</u>
Current assets					
Stocks	15	3,705,709		4,880,408	
Debtors	16	11,890,201		10,513,775	
Cash at bank and in hand		22,945,785		17,879,022	
		<u>38,541,695</u>		<u>33,273,205</u>	
Creditors: amounts falling due within one year	17	(3,860,116)		(3,083,676)	
Net current assets			<u>34,681,579</u>		<u>30,189,529</u>
Net assets			<u>35,935,565</u>		<u>31,589,189</u>
Capital and reserves					
Called up share capital	22		100		100
Profit and loss reserves	23		35,935,465		31,589,089
Total equity			<u>35,935,565</u>		<u>31,589,189</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £5,946,376 (2020 - £5,446,968 profit).

The financial statements were approved by the board of directors and authorised for issue on 25 March 2022 and are signed on its behalf by:

A C Dickens
Director

Company Registration No. 01823478

ADDER TECHNOLOGY LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Share capital £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 July 2019		100	27,947,764	27,947,864	32,628	27,980,492
Year ended 30 June 2020:						
Profit for the year		-	5,660,646	5,660,646	12,173	5,672,819
Other comprehensive income:						
Currency translation differences		-	8,056	8,056	-	8,056
Total comprehensive income for the year		-	5,668,702	5,668,702	12,173	5,680,875
Dividends	10	-	(2,000,000)	(2,000,000)	-	(2,000,000)
Balance at 30 June 2020		100	31,616,466	31,616,566	44,801	31,661,367
Year ended 30 June 2021:						
Profit for the year		-	6,700,725	6,700,725	11,296	6,712,021
Other comprehensive income:						
Currency translation differences on overseas subsidiaries		-	(50,654)	(50,654)	-	(50,654)
Total comprehensive income for the year		-	6,650,071	6,650,071	11,296	6,661,367
Dividends	10	-	(1,600,000)	(1,600,000)	-	(1,600,000)
Balance at 30 June 2021		100	36,666,537	36,666,637	56,097	36,722,734

ADDER TECHNOLOGY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 July 2019		100	28,142,121	28,142,221
Year ended 30 June 2020:				
Profit and total comprehensive income for the year		-	5,446,968	5,446,968
Dividends	10	-	(2,000,000)	(2,000,000)
Balance at 30 June 2020		100	31,589,089	31,589,189
Year ended 30 June 2021:				
Profit and total comprehensive income for the year		-	5,946,376	5,946,376
Dividends	10	-	(1,600,000)	(1,600,000)
Balance at 30 June 2021		100	35,935,465	35,935,565

ADDER TECHNOLOGY LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	28	6,977,795		7,060,979	
Income taxes paid		(111,571)		(111,910)	
Net cash inflow from operating activities		<u>6,866,224</u>		<u>6,949,069</u>	
Investing activities					
Purchase of tangible fixed assets		(96,807)		(402,333)	
Proceeds on disposal of tangible fixed assets		-		7,900	
Interest received		45,437		123,185	
Net cash used in investing activities		<u>(51,370)</u>		<u>(271,248)</u>	
Financing activities					
Proceeds of bank loans		-		176,893	
Dividends paid to equity shareholders		(1,600,000)		(2,000,000)	
Net cash used in financing activities		<u>(1,600,000)</u>		<u>(1,823,107)</u>	
Net increase in cash and cash equivalents		<u>5,214,854</u>		<u>4,854,714</u>	
Cash and cash equivalents at beginning of year		18,426,073		13,549,597	
Effect of foreign exchange rates		(36,729)		21,762	
Cash and cash equivalents at end of year		<u><u>23,604,198</u></u>		<u><u>18,426,073</u></u>	

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Adder Technology Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The address of the registered office and the place of business is given in the company information page of these financial statements.

The group consists of Adder Technology Limited and all of its subsidiaries ("the group").

1.1 Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards including 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has taken advantage of the exemption from preparing a statement of cash flows on the basis that the group statement of cash flows, included in these financial statements, includes the company's cash flows.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Adder Technology Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 30 June 2021. 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.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the group control is accounted for as a business combination. Thereafter, where the group increases its controlling interest in the subsidiary, the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business (net of VAT) and by reference to the date that goods are despatched as this is the point that all risks and rewards are deemed to be transferred.

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies **(Continued)**

1.4 Research and development expenditure

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.5 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings, representing the excess of the fair value of the consideration given over the fair value of identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

1.6 Intangible fixed 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 recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software licences	20% per annum on cost
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1.7 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	No depreciation or 2% per annum of cost
Leasehold alterations	Over the lease period
Fixtures, fittings & computer equipment	20% or 33.33% per annum of cost

The estimated residual value of certain freehold buildings is such that their depreciable amount is insignificant. Accordingly, no depreciation is charged on certain freehold buildings. No depreciation is provided in respect of freehold land.

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.9 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, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct material costs. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

1.11 Financial instruments

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

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.13 Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.14 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.15 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

The trading results of overseas group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas group undertakings are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income'.

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.

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:

Stock provision

Provision is made for damaged, obsolete and slow moving stock where appropriate. This requires estimation of anticipated future sales.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021	2020
	£	£
Turnover		
Sale of goods	30,488,842	28,657,862
	<u> </u>	<u> </u>

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

3 Turnover and other revenue		(Continued)	
Other revenue			
Interest income	45,437	123,185	
Grants received	210,671	25,634	
	<u>256,108</u>	<u>148,819</u>	
Turnover analysed by geographical market			
	2021	2020	
	£	£	
United Kingdom	2,117,562	2,352,681	
Overseas	28,371,280	26,305,181	
	<u>30,488,842</u>	<u>28,657,862</u>	
4 Operating profit			
	2021	2020	
	£	£	
Operating profit for the year is stated after charging/(crediting):			
Exchange losses/(gains)	1,008,141	(234,851)	
Research and development costs	4,658,012	4,681,883	
Government grants	(210,671)	(25,634)	
Depreciation of owned tangible fixed assets	278,106	239,910	
Profit on disposal of fixed assets	-	(7,900)	
Amortisation of intangible assets	81,328	122,825	
Operating lease charges	134,719	136,470	
	<u>6,139,635</u>	<u>5,077,324</u>	
5 Auditor's remuneration			
	2021	2020	
	£	£	
Fees payable to the company's auditor and associates:			
For audit services			
Audit of the financial statements of the group and company	20,000	20,000	
Audit of the financial statements of the company's subsidiaries	8,000	8,000	
	<u>28,000</u>	<u>28,000</u>	

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Directors	2	2	2	2
Corporate	13	13	10	10
Development and engineering	39	43	35	39
Operations	47	49	46	48
Technical support	15	14	12	11
Sales and marketing	34	34	24	23
Total	<u>150</u>	<u>155</u>	<u>129</u>	<u>133</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	9,318,556	9,212,758	7,268,409	7,205,665
Social security costs	898,244	865,867	858,371	829,468
Pension costs	874,625	944,947	817,959	813,887
	<u>11,091,425</u>	<u>11,023,572</u>	<u>8,944,739</u>	<u>8,849,020</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	<u>1,092,063</u>	<u>1,085,875</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	<u>698,911</u>	<u>674,853</u>

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

8 Interest receivable and similar income	2021	2020
	£	£
Interest income		
Interest on bank deposits	45,437	123,185
	<u>45,437</u>	<u>123,185</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	45,437	123,185
	<u>45,437</u>	<u>123,185</u>
 9 Taxation	 2021	 2020
	£	£
Current tax		
Foreign current tax on profits for the current period	61,007	162,426
Deferred tax		
Origination and reversal of timing differences	(681,890)	(477,986)
Total tax credit	<u>(620,883)</u>	<u>(315,560)</u>

The actual credit 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:

	2021	2020
	£	£
Profit before taxation	6,091,138	5,357,259
	<u>6,091,138</u>	<u>5,357,259</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,157,316	1,017,879
Tax effect of expenses that are not deductible in determining taxable profit	1,098	4,910
Depreciation on assets not qualifying for tax allowances	15,765	15,022
Research and development tax credit	(1,150,529)	(1,156,425)
Effect of overseas tax rates	(9,749)	93,398
Patent box deduction	(146,954)	(315,583)
Consolidation adjustments	(52,513)	25,239
Other adjustments	(435,317)	-
	<u>(620,883)</u>	<u>(315,560)</u>
Taxation credit	<u>(620,883)</u>	<u>(315,560)</u>

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

10 Dividends

	2021 £	2020 £
Ordinary paid	1,600,000	2,000,000

11 Intangible fixed assets

Group	Goodwill £	Domain name £	Software licences £	Total £
Cost				
At 1 July 2020 and 30 June 2021	796,555	9,245	485,000	1,290,800
Amortisation and impairment				
At 1 July 2020	445,998	9,245	443,500	898,743
Amortisation charged for the year	39,828	-	41,500	81,328
At 30 June 2021	485,826	9,245	485,000	980,071
Carrying amount				
At 30 June 2021	310,729	-	-	310,729
At 30 June 2020	350,557	-	41,500	392,057

Company	Domain name £	Software licences £	Total £
Cost			
At 1 July 2020 and 30 June 2021	9,245	485,000	494,245
Amortisation and impairment			
At 1 July 2020	9,245	443,500	452,745
Amortisation charged for the year	-	41,500	41,500
At 30 June 2021	9,245	485,000	494,245
Carrying amount			
At 30 June 2021	-	-	-
At 30 June 2020	-	41,500	41,500

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

12 Tangible fixed assets

Group	Freehold buildings	Leasehold alterations	Fixtures, fittings & computer equipment	Total
	£	£	£	£
Cost				
At 1 July 2020	5,689,962	546,620	1,533,560	7,770,142
Additions	-	-	96,807	96,807
Disposals	-	-	(23,951)	(23,951)
Exchange adjustments	-	-	(13,409)	(13,409)
At 30 June 2021	5,689,962	546,620	1,593,007	7,829,589
Depreciation and impairment				
At 1 July 2020	299,955	228,263	1,267,949	1,796,167
Depreciation charged in the year	76,738	64,868	136,500	278,106
Eliminated in respect of disposals	-	-	(23,951)	(23,951)
Exchange adjustments	-	-	(13,432)	(13,432)
At 30 June 2021	376,693	293,131	1,367,066	2,036,890
Carrying amount				
At 30 June 2021	5,313,269	253,489	225,941	5,792,699
At 30 June 2020	5,390,007	318,357	265,611	5,973,975
Company				
	Freehold buildings	Leasehold alterations	Fixtures, fittings & computer equipment	Total
	£	£	£	£
Cost				
At 1 July 2020	278,038	546,620	1,393,437	2,218,095
Additions	-	-	94,909	94,909
At 30 June 2021	278,038	546,620	1,488,346	2,313,004
Depreciation and impairment				
At 1 July 2020	110,546	228,263	1,128,190	1,466,999
Depreciation charged in the year	-	64,868	134,215	199,083
At 30 June 2021	110,546	293,131	1,262,405	1,666,082
Carrying amount				
At 30 June 2021	167,492	253,489	225,941	646,922
At 30 June 2020	167,492	318,357	265,247	751,096

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	607,064	607,064

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 July 2020 and 30 June 2021	607,064
Carrying amount	
At 30 June 2021	607,064
At 30 June 2020	607,064

14 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Adder Corporation	USA	Computer system connectivity	Common stock	100.00
Adder Properties Limited	England	Letting of commercial premises	Ordinary	100.00
Adder Technology (Asia-Pacific) PTE Limited	Singapore	Computer system connectivity	Ordinary	100.00
Adventiq Limited	England	Computer system connectivity	Ordinary	89.60
Adder Technology B.V.	Netherlands	Dormant	Ordinary	100.00

The registered address of Adder Properties Limited is the same as the company's registered office address as given in the company information page of these financial statements.

The registered address of Adventiq Limited is the same as the company's business address as given in the company information page of these financial statements.

The business address for Adder Corporation is 24 Graf Road, Newburyport, MA, 01950, United States of America.

The business address for Adder Technology (Asia-Pacific) PTE Limited is 73 Ubi Road 1, #08-62 Oxley Bizhub, Singapore, 408733.

The business address for Adder Technology B.V. is De Kil 34, 8255RR Swifterbant, Netherlands.

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

15	Stocks	Group 2021 £	2020 £	Company 2021 £	2020 £
	Raw materials and consumables	2,803,401	3,564,794	2,803,401	3,564,794
	Work in progress	623,475	891,787	623,475	891,787
	Finished goods and goods for resale	419,622	696,707	278,833	423,827
		<u>3,846,498</u>	<u>5,153,288</u>	<u>3,705,709</u>	<u>4,880,408</u>
16	Debtors	Group 2021 £	2020 £	Company 2021 £	2020 £
	Amounts falling due within one year:				
	Trade debtors	4,377,008	3,088,310	2,547,972	1,789,783
	Amounts owed by group undertakings	-	-	6,903,268	6,941,514
	Other debtors	457,537	488,006	457,537	488,006
	Prepayments and accrued income	201,157	169,431	168,597	163,438
		<u>5,035,702</u>	<u>3,745,747</u>	<u>10,077,374</u>	<u>9,382,741</u>
	Deferred tax asset (note 20)	1,813,821	1,131,931	1,812,827	1,131,034
		<u>6,849,523</u>	<u>4,877,678</u>	<u>11,890,201</u>	<u>10,513,775</u>
17	Creditors: amounts falling due within one year	Group 2021 £	2020 £	Company 2021 £	2020 £
	Trade creditors	1,838,281	1,313,886	1,728,374	1,219,250
	Amounts owed to group undertakings	-	-	652,865	567,777
	Corporation tax payable	465	51,029	-	-
	Other taxation and social security	320,752	352,768	188,671	189,638
	Other creditors	833,542	840,243	833,542	838,930
	Accruals and deferred income	687,873	426,885	456,664	268,081
		<u>3,680,913</u>	<u>2,984,811</u>	<u>3,860,116</u>	<u>3,083,676</u>
18	Creditors: amounts falling due after more than one year	Group 2021 £	2020 £	Company 2021 £	2020 £
	Bank loans and overdrafts	Notes	£	£	£
		19	-	176,893	-
			<u>-</u>	<u>176,893</u>	<u>-</u>

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

19 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	-	176,893	-	-
Payable after one year	-	176,893	-	-

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	(82,870)	(75,642)
Tax losses	1,871,957	1,190,134
Other timing differences	24,734	17,439
	<u>1,813,821</u>	<u>1,131,931</u>
	<u>1,813,821</u>	<u>1,131,931</u>
Company	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	(82,870)	(75,642)
Tax losses	1,871,957	1,190,134
Other timing differences	23,740	16,542
	<u>1,812,827</u>	<u>1,131,034</u>
	<u>1,812,827</u>	<u>1,131,034</u>
Movements in the year:	Group 2021 £	Company 2021 £
Liability/(asset) at 1 July 2020	(1,131,931)	(1,131,034)
Credit to profit or loss	(681,890)	(681,793)
Liability/(asset) at 30 June 2021	<u>(1,813,821)</u>	<u>(1,812,827)</u>

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

21 Retirement benefit schemes

	2021	2020
Defined contribution scheme	£	£
Charge to profit or loss in respect of defined contribution scheme	874,625	944,947

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	Group and company	
Ordinary share capital	2021	2020
Issued and fully paid	£	£
100 Ordinary shares of £1 each	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

23 Reserves

Profit and loss reserves

The profit and loss reserves comprise retained profits and losses for the current and prior periods.

24 Operating lease commitments

Lessee

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	
	2021	2020	2021	2020
	£	£	£	£
Within one year	102,009	349,602	5,272	245,726
Between two and five years	68,858	159,867	-	1,299
	170,867	509,469	5,272	247,025

25 Related party transactions

Transactions with related parties

Company

Administrative expenditure includes £486,188 (2020: £524,374) in respect of amounts charged by a subsidiary undertaking for subcontract research and development work and supply of KVM over IP technology.

The company has taken advantage of the exemption offered by FRS 102 from the requirement to disclose transactions between wholly owned subsidiaries.

ADDER TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

26 Directors' transactions

Dividends totalling £1,600,000 (2020 - £2,000,000) were paid in the year in respect of shares held by the company's directors.

27 Controlling party

The ultimate controlling party is A C Dickens by virtue of his shareholding.

28 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	6,712,021	5,672,819
Adjustments for:		
Taxation credited	(620,883)	(315,560)
Investment income	(45,437)	(123,185)
Gain on disposal of fixed assets	-	(7,900)
Amortisation and impairment of intangible assets	81,328	122,825
Depreciation and impairment of tangible fixed assets	278,106	239,910
Movements in working capital:		
Decrease in stocks	1,306,790	359,382
(Increase)/decrease in debtors	(1,314,854)	1,625,084
Increase/(decrease) in creditors	580,724	(512,396)
Cash generated from operations	6,977,795	7,060,979

29 Analysis of changes in net funds - group

	1 July 2020	Cash flows	Other non-cash changes	Exchange rate movements	30 June 2021
	£	£	£	£	£
Cash at bank and in hand	18,426,073	5,214,854	-	(36,729)	23,604,198
Borrowings excluding overdrafts	(176,893)	-	176,893	-	-
	<u>18,249,180</u>	<u>5,214,854</u>	<u>176,893</u>	<u>(36,729)</u>	<u>23,604,198</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.