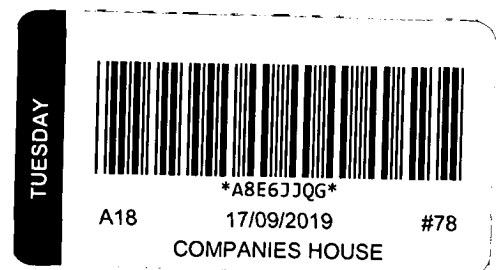


COMPANY REGISTRATION NUMBER: 01278183

Larasian Limited
Directors' Report and Financial Statements
31 December 2018



NEXIA SMITH & WILLIAMSON
Chartered accountants & statutory auditor
Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Larasian Limited
Directors' Report and Financial Statements
Year ended 31 December 2018

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Independent auditor's report to the members	6
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Company statement of financial position	12
Consolidated statement of changes in equity	13
Company statement of changes in equity	15
Consolidated statement of cash flows	16
Notes to the financial statements	17

Larasian Limited

Officers and Professional Advisers

The board of directors

Mr B G Currie
Mrs G Currie
Mr G C A Allen
Mr R S Piwowarski
Mr J Navey (Appointed 21 February 2018)

Company secretary

Julian Navey

Registered office

Module House
Whiteparish
Salisbury
Wiltshire
SP5 2SJ

Auditor

Nexia Smith & Williamson
Chartered Accountants & Statutory Auditor
Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Bankers

National Westminster
48 Blue Boar Row
Salisbury
Wiltshire
SP1 1DF

Larasian Limited
Strategic Report
Year ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Principal Activity

The principal activity of the group in the year under review was that of design, manufacture and sale of electronic modules and electronic measuring instruments.

Review of Business

The results for the year and the financial position of the group and parent company are as shown in the annexed financial statements.

The directors consider the profit for the year to be satisfactory although it is significantly higher than last year, mainly as a result of fluctuations in exchange rates including a positive movement of £476,125. Turnover increased by 4.2% compared to 2017. Gross profit margin increased from 34.3% in 2017 to 36.9% in 2018. Operating profit margin increased from 5.0% in 2017 to 7.3% in 2018. Turnover per employee rose from £99,701 in 2017 to £105,566 in 2018. Return on capital employed increased from 4.7% in 2017 to 6.5% in 2018.

The directors expect the profit for the group to continue to grow in 2019. The company and the group have adequate financial resources to support the business for the foreseeable future and the directors consider the state of affairs of both the group and the parent company to be satisfactory.

Principal Risks and Uncertainties

The group gives appropriate consideration to risk management objectives and policies.

Control of the group cash flow is maintained by weekly reporting of balances and adherence to expenditure authorisation limits.

The risk of significant loss through major customers of the group becoming insolvent is reduced by regular credit control and ongoing communication with those customers.

The group protects its business from the effects of economic recession by a strategy of launching new innovative products on a regular basis.

By ensuring alternative sources of supply and manufacture, the risk of a single company disrupting the supply chain to subsidiary companies is reduced.

The group has limited net exposure to foreign exchange risk. Within the group there is a natural hedge between dollar income and expenditure. Contracts with major customers have clauses that vary prices according to material dollar movements. Non-dollar currencies are traded only in a minor way.

On 23 June 2016 the United Kingdom voted to leave the European Union and subsequently triggered Article 50 in March 2017 with the intention of exiting 2 years later. That period has now been extended to at least 31 October 2019. A number of business risks are associated with that process. Sterling has weakened against other major currencies, but the risk of this to the business is mitigated as far as possible by balancing purchase costs and sales revenue in those major currencies. There is some evidence that the continued uncertainty surrounding the exit process will result in a slowdown in the UK economy.

Larasian Limited

Strategic Report *(continued)*

Year ended 31 December 2018

This report was approved by the board of directors on 5 September 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'Julian Navey', with a long horizontal stroke extending to the right.

Julian Navey
Company Secretary

Larasian Limited

Directors' Report

Year ended 31 December 2018

The directors present their report and the financial statements of the group for the year ended 31 December 2018.

Directors

The directors who served the company during the year were as follows:

Mr B G Currie
Mrs G Currie
Mr G C A Allen
Mr R S Piwowarski
Mr J Navey

(Appointed 21 February 2018)

Dividends

The profit for the year, after taxation, amounted to £1,289,775. Particulars of dividends paid are detailed in note 13 to the consolidated financial statements.

Future developments

The group continues to invest considerable resources in the development of new products since it believes that its future success will be based upon a regular supply of innovative new products.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 31 to the financial statements.

Research and development

The group has a research and development programme for both new products and the improvement of existing products. Expenditure on research and development is written off in the year in which it is incurred.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the company and 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Larasian Limited

Directors' Report *(continued)*

Year ended 31 December 2018

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

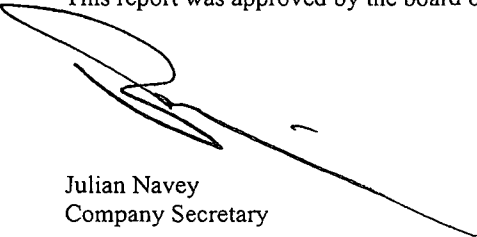
Disclosure of information to auditors

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

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

A resolution to reappoint Nexia Smith & Williamson as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 5 September 2019 and signed on behalf of the board by:



Julian Navey
Company Secretary

Larasian Limited

Independent Auditor's Report to the Members of Larasian Limited

Year ended 31 December 2018

Opinion

We have audited the financial statements of Larasian Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Larasian Limited

Independent Auditor's Report to the Members of Larasian Limited *(continued)*

Year ended 31 December 2018

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year is consistent with those 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 or 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 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.

Larasian Limited

Independent Auditor's Report to the Members of Larasian Limited *(continued)*

Year ended 31 December 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

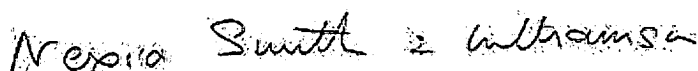
Auditor's responsibilities for the audit of the financial statements

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.

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

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 Appleton (Senior Statutory Auditor)

For and on behalf of
Nexia Smith & Williamson
Chartered Accountants & Statutory Auditor
Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

5 September 2019

Larasian Limited
Consolidated Statement of Comprehensive Income
Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	19,107,360	18,344,967
Cost of sales		<u>(12,061,763)</u>	<u>(12,057,870)</u>
Gross profit		7,045,597	6,287,097
Distribution costs		(1,721,666)	(1,361,945)
Administrative expenses		(3,967,561)	(4,029,007)
Other operating income	5	<u>33,284</u>	<u>14,232</u>
Operating profit	6	1,389,654	910,377
Other interest receivable and similar income	10	797	314
Interest payable and similar expenses	11	<u>(39,254)</u>	<u>(38,927)</u>
Profit before taxation		1,351,197	871,764
Tax on profit	12	<u>(61,422)</u>	<u>28,825</u>
Profit for the financial year		<u>1,289,775</u>	<u>900,589</u>
Foreign currency retranslation		<u>117,633</u>	<u>(136,171)</u>
Total comprehensive income for the year		<u>1,407,408</u>	<u>764,418</u>
Profit for the financial year attributable to:			
The owners of the parent company		1,243,315	827,516
Non-controlling interest		<u>46,460</u>	<u>73,073</u>
		<u>1,289,775</u>	<u>900,589</u>
Total comprehensive income for the year attributable to:			
The owners of the parent company		1,359,305	693,918
Non-controlling interest		<u>48,103</u>	<u>70,500</u>
		<u>1,407,408</u>	<u>764,418</u>

All the activities of the group are from continuing operations.

The notes on pages 18 to 38 form part of these financial statements.

Larasian Limited

Consolidated Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	14	2	2
Tangible assets	15	9,638,146	8,646,397
Investments	16	10	410
		<u>9,638,158</u>	<u>8,646,809</u>
Current assets			
Stocks	17	8,719,985	7,279,747
Debtors	18	4,416,389	3,284,367
Cash at bank and in hand		<u>2,366,042</u>	<u>2,852,368</u>
		15,502,416	13,416,482
Creditors: amounts falling due within one year	19	<u>(3,660,114)</u>	<u>(2,600,241)</u>
Net current assets		<u>11,842,302</u>	<u>10,816,241</u>
Total assets less current liabilities		<u>21,480,460</u>	<u>19,463,050</u>
Creditors: amounts falling due after more than one year	20	(1,956,970)	(1,297,678)
Provisions			
Deferred Tax	21	(18,047)	(13,918)
Other provisions	21	<u>(2,581)</u>	<u>-</u>
		(20,628)	(13,918)
Net assets		<u>19,502,862</u>	<u>18,151,454</u>
Capital and reserves			
Called up share capital	27	100	100
Share premium account	28	259,619	259,619
Capital redemption reserve	28	15,000	15,000
Other reserves	28	339,064	223,074
Profit and loss account	28	<u>17,778,486</u>	<u>16,591,171</u>
Equity attributable to the owners of the parent company		<u>18,392,269</u>	<u>17,088,964</u>
Non-controlling interest		<u>1,110,593</u>	<u>1,062,490</u>
		<u>19,502,862</u>	<u>18,151,454</u>

The consolidated statement of financial position continues on the following page.

The notes on pages 18 to 38 form part of these financial statements.

Larasian Limited

Consolidated Statement of Financial Position *(continued)*

31 December 2018

These financial statements were approved by the board of directors and authorised for issue on 5 September 2019, and are signed on behalf of the board by:



Mr R S Piwowarski
Director

Company registration number: 01278183

The notes on pages 18 to 38 form part of these financial statements.

Larasian Limited
Company Statement of Financial Position
31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	15	1,656,860	772,371
Investments	16	1,207,891	1,207,891
		<u>2,864,751</u>	<u>1,980,262</u>
Current assets			
Stocks	17	1,221,966	1,221,966
Debtors	18	2,146,079	1,179,029
Cash at bank and in hand		680,199	86,464
		<u>4,048,244</u>	<u>2,487,459</u>
Creditors: amounts falling due within one year	19	<u>(2,582,938)</u>	<u>(633,435)</u>
Net current assets		<u>1,465,306</u>	<u>1,854,024</u>
Total assets less current liabilities		<u>4,330,057</u>	<u>3,834,286</u>
Creditors: amounts falling due after more than one year	20	<u>(1,956,970)</u>	<u>(1,297,678)</u>
Net assets		<u>2,373,087</u>	<u>2,536,608</u>
Capital and reserves			
Called up share capital	27	100	100
Profit and loss account	28	2,372,987	2,536,508
Shareholders funds		<u>2,373,087</u>	<u>2,536,608</u>

The loss for the financial year of the parent company was £107,521 (2017: £383,368 profit).

These financial statements were approved by the board of directors and authorised for issue on 5 September 2019, and are signed on behalf of the board by:



Mr R S Piwowarski
 Director

Company registration number: 01278183

The notes on pages 18 to 38 form part of these financial statements.

Larasian Limited
Consolidated Statement of Changes in Equity
Year ended 31 December 2018

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-controll ing interest £	Total £
At 1 January 2017	100	259,619	15,000	356,672	15,784,460	16,415,851	994,152	17,410,003
Profit for the year					827,516	827,516	73,073	900,589
Other comprehensive income for the year:								
Foreign currency retranslation	-	-	-	(133,598)	-	(133,598)	(2,573)	(136,171)
Total comprehensive income for the year	-	-	-	(133,598)	827,516	693,918	70,500	764,418
Dividends paid and payable	13	-	-	-	(10,000)	(10,000)	(12,967)	(22,967)
Non-controlling interest transfer	-	-	-	-	(10,805)	(10,805)	10,805	-
Total investments by and distributions to owners	-	-	-	-	(20,805)	(20,805)	(2,162)	(22,967)
At 31 December 2017	100	259,619	15,000	223,074	16,591,171	17,088,964	1,062,490	18,151,454
Profit for the year					1,243,315	1,243,315	46,460	1,289,775
Other comprehensive income for the year:								
Foreign currency retranslation	-	-	-	115,990	-	115,990	1,643	117,633
Total comprehensive income for the year	-	-	-	115,990	1,243,315	1,359,305	48,103	1,407,408

The consolidated statement of changes in equity
continues on the following page.

The notes on pages 18 to 38 form part of these financial statements.

Larasian Limited
Consolidated Statement of Changes in Equity *(continued)*
Year ended 31 December 2018

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-controll ing interest £	Total £
Dividends paid and payable	13	—	—	—	(56,000)	(56,000)	—	(56,000)
Total investments by and distributions to owners	—	—	—	—	(56,000)	(56,000)	—	(56,000)
At 31 December 2018	100	259,619	15,000	339,064	17,778,486	18,392,269	1,110,593	19,502,862

The notes on pages 18 to 38 form part of these financial statements.

Larasian Limited
Company Statement of Changes in Equity
Year ended 31 December 2018

		Called up share capital £	Profit and loss account £	Total £
At 1 January 2017		100	2,163,140	2,163,240
Profit for the year		—	383,368	383,368
Total comprehensive income for the year		—	383,368	383,368
Dividends paid and payable	13	—	(10,000)	(10,000)
Total investments by and distributions to owners		—	(10,000)	(10,000)
At 31 December 2017		100	2,536,508	2,536,608
Loss for the year		—	(107,521)	(107,521)
Total comprehensive income for the year		—	(107,521)	(107,521)
Dividends paid and payable	13	—	(56,000)	(56,000)
Total investments by and distributions to owners		—	(56,000)	(56,000)
At 31 December 2018		<u>100</u>	<u>2,372,987</u>	<u>2,373,087</u>

The notes on pages 18 to 38 form part of these financial statements.

Larasian Limited
Consolidated Statement of Cash Flows
Year ended 31 December 2018

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year	1,289,775	900,589
<i>Adjustments for:</i>		
Depreciation of tangible assets	473,323	402,498
Impairment of tangible assets	–	43,188
Fair value adjustment of investment property	300,000	(37,649)
Other interest receivable and similar income	(797)	(314)
Interest payable and similar expenses	39,254	38,927
Gains on disposal of tangible assets	(2,027)	(18,285)
Tax on (loss)/profit	61,422	(28,825)
Foreign currency exchange differences	(58,854)	117,818
<i>Changes in:</i>		
Stocks	(1,440,238)	298,237
Trade and other debtors	(1,146,446)	668,273
Trade and other creditors	981,199	86,987
Provisions and employee benefits	2,581	–
Changes in status of subsidiaries	400	–
Cash generated from operations	<u>499,592</u>	<u>2,471,444</u>
Interest paid	(39,254)	(38,927)
Interest received	797	314
Tax paid	<u>(42,869)</u>	<u>(214,587)</u>
Net cash from operating activities	<u>418,266</u>	<u>2,218,244</u>
Cash flows from investing activities		
Purchase of tangible assets	(2,460,680)	(1,664,887)
Proceeds from sale of tangible assets	874,123	18,500
Net cash used in investing activities	<u>(1,586,557)</u>	<u>(1,646,387)</u>
Cash flows from financing activities		
Proceeds from borrowings	900,000	–
Repayments of borrowings	(162,035)	(156,305)
Dividends paid	(56,000)	(10,000)
Dividends paid to minority interests	–	(12,967)
Net cash from/(used in) financing activities	<u>681,965</u>	<u>(179,272)</u>
Net (decrease)/increase in cash and cash equivalents	(486,326)	392,585
Cash and cash equivalents at beginning of year	<u>2,852,368</u>	<u>2,459,783</u>
Cash and cash equivalents at end of year	<u>2,366,042</u>	<u>2,852,368</u>

The notes on pages 18 to 38 form part of these financial statements.

Larasian Limited

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Module House, Whiteparish, Salisbury, Wiltshire, SP5 2SJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for investment properties which are held at market value, and in accordance with the group's accounting policies.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Larasian Limited which can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- Disclosures in respect of each class of share capital have not been presented.
- No cash flow statement has been presented for the company.
- Disclosures in respect of financial instruments have not been presented, as the information is provided within the consolidated financial statements of the Group in which the entity is consolidated and the relevant disclosures are included.
- No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The group financial statements include the financial statements of the parent company and all of its subsidiary undertakings made up to 31st December 2018. Subsidiaries are entities over which the group has the power to control the financial and operating policies of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

Non-controlling interest

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and their share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the non-controlling interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting practice requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Financial instruments classification:

The classification of financial instruments as "basic" or "other" requires judgements as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

Classification of properties:

The classification of properties requires judgement as to whether the properties meet the definition of an investment property, held for rental or capital appreciation purposes, or are tangible fixed assets used by the business. This includes consideration of the intention for holding the property.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Bad debt provision:

A full line-by-line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable. At the year end date, group trade debtors totalled £4,126,351 (2017: £3,020,254).

Stock provisions:

Stocks are reviewed at the end of each month to identify items that are potentially slow-moving or obsolete and to ensure that provisions made are as accurate as possible. At the year end date, group stocks were valued at £8,719,985 (2017: £7,279,746).

Warranty provision:

A full review of sales and warranty claims is carried out each month to ensure that provisions made are as accurate as possible. The carrying amount of warranty provisions as at 31 December 2018 was £2,581, including provisions made during the year of £2,581 (2017: £Nil).

Tangible fixed assets:

Tangible fixed assets are reviewed annually to consider their useful life and residual life. At the year end date, the net book value of group tangible fixed assets was £9,638,146 (2017: £8,646,397).

Investment properties:

Investment properties are valued internally by directors each year. At the year end, investment property in the group was valued at £1,013,881 (2017: £1,313,881).

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Revenue recognition

Turnover represents net invoiced sales and services, excluding value added tax. Revenue is recognised when goods ordered are ready for despatch to customers.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result. The results and net assets of all group companies that have a non-sterling functional currency are included in the consolidated financial statements as follows:

- assets and liabilities are translated at the exchange rate at the balance sheet date;
- revenue and expenses are translated at the average exchange rates for the relevant year;
- all resulting exchange differences are recognised as part of other reserves.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Tangible assets

Tangible fixed assets, other than those classified as investment property, are stated at cost less depreciation.

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	written off over 50 years
Long leasehold property	-	written off over 50 years
Improvements to property	-	written off over 3 to 10 years
Plant & machinery	-	written off over 5 to 8 years
Fixtures, fittings & equipment	-	written off over 3 to 10 years
Motor vehicles	-	written off over 4 to 6 years

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. It is subsequently carried at fair value determined annually. Changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss, as described below.

Non-financial assets:

The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use. An asset is impaired where the estimated recoverable value of the asset has been reduced.

Financial assets:

Financial assets that are measured at cost or amortised cost are assessed at the end of each reporting period for objective evidence of impairment. The impairment loss is measured as the difference between a financial asset's carrying amount and the present value of estimated future 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 related contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the Board's best estimate of its value, with the latter being an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Development properties are stated at the lower of cost and net realisable value.

Provisions

Provisions are made when an event has taken place that gives the company 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 to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the year end 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 statement of financial position.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Defined contribution plans

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Sale of goods	18,691,524	18,043,838
Services & staff recharged	415,836	301,129
	<u>19,107,360</u>	<u>18,344,967</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2018	2017
	£	£
United Kingdom	12,986,085	12,240,730
Europe	1,575,117	1,329,774
USA	3,603,456	3,548,303
Asia/Far East	607,352	727,475
Africa	22,138	33,251
Australia	116,370	97,810
Rest of the World	120,693	289,212
Middle East	76,149	78,412
	<u>19,107,360</u>	<u>18,344,967</u>

5. Other operating income

	2018	2017
	£	£
Other operating income	<u>33,284</u>	<u>14,232</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2018	2017
	£	£
Depreciation of tangible assets	473,323	402,498
Impairment of tangible assets recognised in:		
Administrative expenses	–	43,188
Gains on disposal of tangible assets	(2,027)	(18,285)
Fair value losses/(gains) to investment property	300,000	(37,649)
Impairment of trade debtors	445	(13,214)
Foreign exchange differences	(152,041)	324,084
Inventory recognised as expense during the period	8,982,367	9,034,548
Impairment of inventory (included in cost of sales)	6,409	(882)
Research & development expenditure written off	<u>1,033,481</u>	<u>1,037,842</u>

7. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>18,171</u>	<u>21,023</u>

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Production staff	112	115
Distribution staff	24	24
Administrative staff	32	34
Directors	13	11
	<u>181</u>	<u>184</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	5,054,674	4,797,558
Social security costs	419,221	381,623
Other pension costs	191,314	164,961
	<u>5,665,209</u>	<u>5,344,142</u>

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Production staff	7	7
Distribution staff	1	1
Administrative staff	11	12
Number of directors	5	3
	<u>24</u>	<u>23</u>

The aggregate payroll costs incurred by the company during the year relating to the above were:

	2018	2017
	£	£
Wages and salaries	155,750	120,591
Social security costs	51,899	45,327
Other pension costs	20,146	17,222
	<u>227,795</u>	<u>183,140</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	191,468	117,241
Company contributions to defined contribution pension plans	14,756	10,956
	<u>206,224</u>	<u>128,197</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	No.	No.
Defined contribution plans	3	2

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

10. Other interest receivable and similar income

	2018	2017
	£	£
Interest on cash and cash equivalents	<u>797</u>	<u>314</u>

11. Interest payable and similar expenses

	2018	2017
	£	£
Interest on banks loans and overdrafts	<u>39,254</u>	<u>38,927</u>

12. Tax on (loss)/profit

Major components of tax expense/(income)

	2018	2017
	£	£
Current tax:		
UK current tax income	–	(12,372)
Adjustments in respect of prior periods	<u>1,979</u>	<u>(38,245)</u>
Total UK current tax	1,979	(50,617)
Foreign current tax income	60,959	54,259
Adjustments in respect of prior periods	<u>(5,645)</u>	<u>(4,000)</u>
Total foreign tax	<u>55,314</u>	<u>50,259</u>
Total current tax	<u>57,293</u>	<u>(358)</u>
Deferred tax:		
Origination and reversal of timing differences	<u>4,129</u>	<u>(28,467)</u>
Tax on (loss)/profit	<u>61,422</u>	<u>(28,825)</u>

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

12. Tax on (loss)/profit *(continued)*

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19.37% (2017: 18.29%).

	2018	2017
	£	£
Profit on ordinary activities before taxation	<u>1,351,197</u>	<u>871,764</u>
Profit on ordinary activities by rate of tax	237,883	157,473
Adjustment to tax charge in respect of prior periods	3,666	(42,245)
Effect of expenses not deductible for tax purposes	61,530	22,626
Effect of fixed asset differences	13,047	12,638
Effect of revenue exempt from tax	–	(10,764)
Utilisation of tax losses	–	14,635
Unused tax losses	–	32,023
Research & development	(255,270)	(259,673)
Permanent and short term differences	10,724	27,434
Foreign tax charge & double taxation relief	14,631	10,032
Land remediation	(107)	–
Deferred taxation rate changes	<u>(24,682)</u>	<u>6,996</u>
Tax on profit	<u>61,422</u>	<u>(28,825)</u>

13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018	2017
	£	£
Dividends paid during the year	<u>56,000</u>	<u>10,000</u>

14. Intangible assets

Group	Intellectual Rights £
Cost	
At 1 January 2018 and 31 December 2018	<u>2</u>
Amortisation	
At 1 January 2018 and 31 December 2018	<u>–</u>
Carrying amount	
At 1 January 2018 and 31 December 2018	<u>2</u>
At 31 December 2017	<u>2</u>

The company has no intangible assets.

Larasian Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2018

15. Tangible assets

Group	Freehold & Leasehold Property £	Plant and Machinery £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
Cost or Valuation					
At 1 January 2018	8,871,043	870,209	1,654,508	203,921	11,599,681
Additions	2,199,159	77,994	178,746	4,781	2,460,680
Disposals	(893,188)	(298)	(27,869)	(17,745)	(939,100)
Revaluations	(300,000)	–	–	–	(300,000)
Foreign Exchange Differences	217,034	3,090	16,964	5,720	242,808
At 31 December 2018	10,094,048	950,995	1,822,349	196,677	13,064,069
Depreciation					
At 1 January 2018	1,186,725	508,426	1,130,749	127,384	2,953,284
Charge for the year	177,350	110,068	171,569	14,336	473,323
Disposals	(43,188)	(298)	(7,279)	(16,239)	(67,004)
Foreign Exchange Differences	45,437	2,351	15,199	3,333	66,320
At 31 December 2018	1,366,324	620,547	1,310,238	128,814	3,425,923
Carrying amount					
At 31 December 2018	8,727,724	330,448	512,111	67,863	9,638,146
At 31 December 2017	7,684,318	361,783	523,759	76,537	8,646,397
Company					
	Freehold & Leasehold Property £	Plant and Machinery £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
Cost or Valuation					
At 1 January 2018	769,783	13,241	60,337	46,630	889,991
Additions	908,781	–	35,091	4,006	947,878
At 31 December 2018	1,678,564	13,241	95,428	50,636	1,837,869
Depreciation					
At 1 January 2018	34,792	12,676	39,383	30,769	117,620
Charge for the year	28,444	384	26,421	8,140	63,389
At 31 December 2018	63,236	13,060	65,804	38,909	181,009
Carrying amount					
At 31 December 2018	1,615,328	181	29,624	11,727	1,656,860
At 31 December 2017	734,991	565	20,954	15,861	772,371

Included within the above is investment property as follows:

	Group £	Company £
At 1 January 2018	1,313,881	–
Fair value movement	(300,000)	–
At 31 December 2018	1,013,881	–

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

15. Tangible assets *(continued)*

Three properties are included in investment property in the Group. The market value shown at 31 December 2018 was determined by an independent, professionally qualified valuer where there was believed to be a significant change in value. The properties are subsequently carried at fair value determined annually. Changes in fair value are recognised in profit or loss.

Also included within Group Freehold & Leasehold Property:

Short-term leases costing £358,666 (2017: £356,843) with a net book value of £137,056 (2017: £170,031)

Long-term leases costing £1,035,536 (2017: £126,755) with a net book value of £1,020,384 (2017: £125,911).

16. Investments

In the group, the cost and net book value of investments totalled £410 as at 1 January 2018 and £10 as at 31 December 2018, representing unlisted investments. During the year, a previously dormant company became active and is now included within the group consolidation.

In the company, the cost and net book value of investments in subsidiary undertakings totalled £1,207,891.

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Corintech Limited *	Ordinary	83.33
Lascar Electronics Limited *	Ordinary	100
Video Recognition Systems Limited	Ordinary	83.33
TFW (UK) Limited	Ordinary	100
Select Country Inns Limited *	Ordinary	100
Lascar Electronics (HK) Limited	Ordinary	100
Lascar Electronics Inc	Ordinary	100
Cartwheel Inn Whitsbury Limited (formerly 3WData.Com Limited)	Ordinary	100
Lascar Limited	Ordinary	100
Lascar Group (HK) Limited	Ordinary	100
Corintech (HK) Limited	Ordinary	100
Bull Inn (WSG) Limited	Ordinary	100

* Direct subsidiaries.

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

16. Investments *(continued)*

The name of 3WData.Com Limited was changed on 13 June 2018 to Cartwheel Inn Whitsbury Limited.

The registered office of Lascar Electronics Limited, Cartwheel Inn Whitsbury Limited, Video Recognition Systems Limited and Lascar Limited is Module House, Whiteparish, Salisbury, Wiltshire, SP5 2SJ.

The registered office of Lascar Electronics (HK) Limited and Lascar Group (HK) Limited is 13th Floor, Grand Building, 18 Connaught Road Central, Hong Kong.

The registered office of Corintech (HK) Limited 8th Floor, China Aerospace Center, 143 Hoi Bun Road, Kowloon, Hong Kong.

The registered office of Lascar Electronics Inc is 4528 West 12th Street, Erie, Pennsylvania, USA.

The registered office of Corintech Limited, Select Country Inns Limited and Bull Inn WSG Limited is Ashford Mill, Fordingbridge, Hampshire, SP6 1DZ.

The registered office of TFW (UK) Limited is The Royal Oak, Ringwood Road, North Gorley, Fordingbridge, Hampshire, SP6 2PB.

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A:

Select Country Inns Limited
TFW (UK) Limited
Bull Inn (WSG) Limited
Cartwheel Inn Whitsbury Limited

17. Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Raw materials and consumables	2,710,452	1,343,784	-	-
Work in progress	1,459,116	896,617	-	-
Finished goods and goods for resale	4,550,417	5,039,346	1,221,966	1,221,966
	<u>8,719,985</u>	<u>7,279,747</u>	<u>1,221,966</u>	<u>1,221,966</u>

Inventory recognised as expense during the period - see Note 6: Operating Profit.

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

18. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	4,126,351	3,020,254	26,656	6,791
Amounts owed by group undertakings	–	–	2,073,059	1,121,894
Deferred tax asset	–	–	35,523	40,050
Prepayments and accrued income	171,750	139,735	10,841	7,859
Corporation tax repayable	87,079	101,503	–	–
Directors loan account	18,819	17,529	–	2,435
Other debtors	12,390	5,346	–	–
	<u>4,416,389</u>	<u>3,284,367</u>	<u>2,146,079</u>	<u>1,179,029</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	235,749	157,076	235,749	157,076
Trade creditors	2,554,103	1,534,255	29,792	27,331
Amounts owed to group undertakings	–	–	2,090,950	216,309
Amounts owed to undertakings in which the company has a participating interest	143,009	143,009	143,009	143,009
Accruals and deferred income	471,194	509,507	41,394	41,399
Social security and other taxes	222,127	220,616	41,120	48,311
Director loan accounts	–	–	924	–
Other creditors	33,932	35,778	–	–
	<u>3,660,114</u>	<u>2,600,241</u>	<u>2,582,938</u>	<u>633,435</u>

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	<u>1,956,970</u>	<u>1,297,678</u>	<u>1,956,970</u>	<u>1,297,678</u>

An intercompany guarantee exists between Larasian Limited and Lascar Electronics Limited and Corintech Limited regarding the bank loans held by Larasian Limited.

Larasian Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2018

Bank loans are repayable as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Between 1 and 2 years	242,550	161,142	242,550	161,142
Between 2 and 5 years	1,232,959	508,893	1,232,959	508,893
After 5 years	481,461	627,643	481,461	627,643
	<u>1,956,970</u>	<u>1,297,678</u>	<u>1,956,970</u>	<u>1,297,678</u>

Interest is payable at:

- 1.96% above Bank of England base rate (loan of £600,000)
- 2.16% above Bank of England base rate (loan of £1,100,000)
- 2.23% above Bank of England base rate (loan of £900,000).

The loans are secured by a fixed and floating charge over the assets of the group.

21. Provisions

Group	Warranties	Deferred tax (note 22)	Total
	£	£	£
At 1 January 2018	–	13,918	13,918
Additions	2,581	4,129	6,710
At 31 December 2018	<u>2,581</u>	<u>18,047</u>	<u>20,628</u>

The company does not have any provisions.

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Included in debtors (note 18)	–	–	35,523	40,050
Included in provisions (note 21)	(18,047)	(13,918)	–	–
	<u>(18,047)</u>	<u>(13,918)</u>	<u>35,523</u>	<u>40,050</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Deferred tax - fixed asset timing difference	(57,010)	(62,181)	3,837	7,093
Deferred tax - short term timing differences	2,357	728	42	111
Deferred tax - losses and other deductions	45,956	56,885	31,644	32,846
Deferred tax - capital gains/(losses)	(9,350)	(9,350)	–	–
	<u>(18,047)</u>	<u>(13,918)</u>	<u>35,523</u>	<u>40,050</u>

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

23. Retirement benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £191,314 (2017: £164,961).

The company operates personal and portable pension schemes for its directors and employees. The assets of the schemes are held separately from those of the company in independently administered funds. At the year end date, there were unpaid contributions of £12,972 (2017: £4,283) which are included in accruals and deferred income.

24. Non-controlling interest

This represents the non-controlling interest in Corintech Limited and Corintech (HK) Limited. A dividend of £Nil (2017: £12,967) was paid to the non-controlling shareholder in Corintech Limited. Larasian Limited waived their right to any dividend in the year.

25. Share option scheme

During the year the Company granted 68,889 (2017: nil) share options to certain staff at an exercise price of £7.71 (2017: £nil). The scheme conditions state that the options can only be exercised on an exit event. During the year 2,750 (2017: nil) options lapsed because the option holder left the employment of the group and no options (2017: no options) were exercised. At the year end, 66,139 (2017: nil) options were outstanding. No share based payment charge has been recognised because at the reporting date it was not considered probable that the vesting conditions would be met.

26. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets that are debt instruments measured at amortised cost

	Group	
	2018	2017
	£	£
Financial assets measured at amortised cost (including cash at bank or in hand)	<u>6,523,602</u>	<u>5,895,497</u>

Financial liabilities measured at amortised cost

	Group	
	2018	2017
	£	£
Financial liabilities measured at amortised cost	<u>5,175,531</u>	<u>(3,534,293)</u>

27. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

28. Reserves

Share premium account: This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account: This reserve records retained earnings and accumulated losses.

Capital redemption reserve: This reserve records the nominal value of shares repurchased.

Other reserves: This reserve records exchange differences on translation.

29. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Not later than 1 year	115,678	118,501	-	2,033
Later than 1 year and not later than 5 years	460,661	461,604	-	-
Later than 5 years	656,153	770,838	-	-
	<u>1,232,492</u>	<u>1,350,943</u>	<u>-</u>	<u>2,033</u>

In the year included in group operating profit are lease payments of £118,375 (2017: £128,614).

An intercompany guarantee exists between Larasian Limited and TFW (UK) Limited regarding the property lease held by TFW (UK) Limited.

30. Contingencies

The company is party to a statutory guarantee under the Companies Act 2006. The company guarantees all outstanding debts and liabilities of certain subsidiaries (see note 16) as at 31 December 2018 until they are satisfied in full.

31. Events after the end of the reporting period

On 29 January 2019, 6,528 new share options in the entity were granted to certain individuals of the group at an exercise price of £7.71. These vest on an exit event only.

Properties were acquired by the group in July 2019 at a cost of £172,014.

32. Director loan accounts

As detailed in Notes 18 and 19, there are Director loan accounts in the group: no interest is incurred on these balances and they are payable on demand.

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

33. Related party transactions

Group

During the year, total dividends of £56,000 (2017: £10,000) were paid to the shareholders.

During the year, the group carried out the following transactions during the normal course of business with related parties:

Lascar Electronics Executive Pension Scheme

Goods and services supplied by the group: £31,892 (2017: £6,539).

Commercial annual rents of £85,200 (2017: £85,200) are payable by the group.

Other goods and services supplied to the group: £10,577 (2017: £9,553).

At the year end date, the amount due to the Pension Fund was £20,420 (2017: £20,099).

Micromart Computer Systems Limited

This company is controlled by Brian and Glynis Currie.

At the year end date, the amount due to Micromart Computer Systems Limited was £143,009 (2017: £143,009). There were no transactions during the year. There are no fixed terms of repayment.

Burgate Court Management Limited

This is a property management company under the control of B. Currie. It has no income or expenditure in its own right and it owns assets on trust for the owners of the properties in Burgate Court.

Building and administrative services supplied by the group: £1,068 (2017: £2,455).

A service fee of £4,008 (2017: £4,878) has been levied by Burgate Court Management Limited.

At the year end date, the amount due to Burgate Court Management Limited was £1,887 (2017: amount due from Burgate Court Management Limited £669).

Trade Aid

This is a charity of which Brian Currie is a Trustee with significant influence.

Donations from the group amounted to £185,032 (2017: £171,219).

At the year end date, the amount due from Trade Aid was £Nil (2017: £Nil).

Buy 1 Owner Cars Limited

The company is under the control of B. Currie.

Amounts written off in the year which had been fully provided for totalled £Nil (2017: £131,516).

At the year end date, the amount due from Buy 1 Owner Cars Limited was £Nil (2017: £131,516 for which full provision had been made).

B. Currie and Mrs. G. Currie

The group provided building services totalling £1,355 (2017: £5,114) to its directors/shareholders.

Staff employed by Mr. B. and Mrs. G. Currie but charged to Larasian Limited: £9,110 (2017: £15,411).

As detailed in Note 32, there are Director loan accounts in the group: no interest is incurred on these balances and they are payable on demand.

At the year end date, the amount due from Larasian Limited was £924 (2017: amount due to Larasian Limited £17,530).

Regal Fordingbridge Cinema Club

This is a private members club of which B. Currie is a committee member with significant influence.

Goods and services supplied by the group £6,380 (2017: £2,904).

Building and administrative services supplied by the group: £5,988 (2017: £Nil).

Goods and services supplied to the group: £1,100 (2017: £Nil).

At the year end date, the amount due from Regal Fordingbridge Cinema Club was £759 (2017: £3,449).

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

Key management personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the group. The cost of key management personnel for services provided to the group was as follows:

Short-term employment benefits £229,434 (2017: £241,964)

Post-employment benefits £15,548 (2017: £17,006)

During the year, services provided to the group by close family members of key management personnel: £86,483 (2017: £93,100). In addition, rent received from close family members of key management personnel: £18,000 (2017: £18,000).

At the year end, the amount owed by close family members of key management personnel was £11,664 (2017: £2,392).

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

33. Related party transactions *(continued)*

Company

During the year, total dividends of £56,000 (2017: £10,000) were paid to the shareholders.

During the year, services provided to Larasian Limited by close family members of key management personnel: £73,316 (2017: £80,044). In addition, rent received from close family members of key management personnel: £18,000 (2017: £18,000).

At the year end, the amount due from close family members was £1,574 (2017: £2,392).

During the year, the company carried out the following transactions during the normal course of business with related parties:

Lascar Electronics Executive Pension Scheme

Goods and services supplied by Larasian Limited: £31,892 (2017: £5,989).

A commercial annual rent of £12,200 (2017: £12,200) is payable.

Other goods and services supplied to Larasian Limited: £10,577 (2017: £9,553).

At the year end date, the amount due from the Pension Fund was £23,380 (2017: £1,801).

Corintech Limited - 83.33% subsidiary

Goods and services supplied by Larasian Limited: £56,849 (2017: £92,869).

Administrative staff employed by Larasian Limited but charged to Corintech Limited: £186,390 (2017: £173,243).

Building services staff employed by Larasian Limited but charged to Corintech Limited: £13,740 (2017: £43,568).

Goods and services supplied to Larasian Limited: £8,123 (2017: £34,365).

During the year, loans were made to Larasian Limited of £777,141. These loans are repayable within one year.

At the year end date, the amount due to Corintech Limited was £536,209 (2017: amount due from Corintech Limited £198,219).

Micromart Computer Systems Limited - Company controlled by Brian and Glynis Currie

At the year end date, the amount due to Micromart Computer Systems Limited was £143,009 (2017: £143,009). There were no transactions during the year. There are no fixed terms of repayment.

Burgate Court Management Limited

This is a property management company under the control of B. Currie. It has no income or expenditure in its own right and it owns assets on trust for the owners of the properties in Burgate Court.

Building and administrative services in the sum of £1,068 (2017: £2,455) have been charged to Burgate Court Management Limited.

A service fee of £4,008 (2017: £4,878) has been levied by Burgate Court Management Limited.

At the year end date, the amount due to Burgate Court Management Limited was £1,887 (2017: amount due from Burgate Court Management Limited £669).

Trade Aid

This is a charity of which B. Currie is a Trustee with significant influence.

Donations from Larasian Limited amounted to £39,081 (2017: £36,392).

As at the year end date, the amount due from Trade Aid was £Nil (2017: £Nil).

Regal Fordingbridge Cinema Club

This is a private members club of which B. Currie is a committee member with significant influence.

Goods and services supplied by Larasian Limited: £50 (2017: £612).

Administrative staff in the sum of £5,988 (2017: £Nil) have been charged to Regal Fordingbridge Cinema Club.

At the year end date, the amount due to Larasian Limited was £Nil (2017: £734).

Larasian Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

33. Related party transactions *(continued)*

B. Currie and Mrs. G. Currie

The company provided building services totalling £1,355 (2017: £5,114) to its directors/shareholders. Staff employed by Mr. B. and Mrs. G. Currie but charged to Larasian Limited: £9,110 (2017: £15,411). As detailed in Note 32, there are Director loan accounts in the company: no interest is incurred on these balances and they are payable on demand.

At the year end date, the amount due from Larasian Limited was £924 (2017: amount due to Larasian Limited £2,435).

34. Controlling party

The group is controlled jointly by Mr B. Currie and Mrs G. Currie by virtue of their 100% holding in the share capital of the parent company.