

**Lascar Electronics Limited**  
**Financial Statements**  
**31 December 2016**



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

# **Lascar Electronics Limited**

## **Financial Statements**

**Year ended 31 December 2016**

| <b>Contents</b>                             | <b>Page</b> |
|---|-------------|
| Officers and professional advisers          | <b>1</b>    |
| Strategic report                            | <b>2</b>    |
| Directors' report                           | <b>3</b>    |
| Independent auditor's report to the members | <b>5</b>    |
| Statement of income and retained earnings   | <b>7</b>    |
| Statement of financial position             | <b>8</b>    |
| Notes to the financial statements           | <b>9</b>    |

**Lascar Electronics Limited**  
**Officers and Professional Advisers**

**The board of directors**

Mr B G Currie (Resigned 9 March 2017)  
Mrs G Currie  
Mr G C A Allen (Resigned 16 August 2017)  
Mr R S Piwowarski  
Mr A Darcy  
Mr R Cameron  
Mr J J Navey  
Mr S Wigmore

**Registered office**

Module House  
Whiteparish  
Salisbury  
Wiltshire  
SP5 2SJ

**Auditor**

Nexia Smith & Williamson  
Chartered accountant & statutory auditor  
Cumberland House  
15-17 Cumberland Place  
Southampton  
Hampshire  
SO15 2BG

# **Lascar Electronics Limited**

## **Strategic Report**

**Year ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

### **Principal activity**

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

### **Review of business**

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

The directors consider the profit for the year to be above expectations. The directors expect the business to continue at similar profit levels for 2017. The company and the group, of which it is a subsidiary, have adequate financial resources to support the business for the foreseeable future and the directors consider the state of the affairs of both the company and the group to be satisfactory.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance position of the business.

### **Principal risks and uncertainties**

The company gives appropriate consideration to risk management objectives and policies. Facilities are in place to deal with cash flow and liquidity risk. Supplier pricing risk is mitigated by a diverse supplier portfolio. Credit risk is managed through adoption of a rigorous credit policy. Exchange rate liquidity risk has been identified as a risk and will be managed on a daily basis.

On 23 June 2016 the United Kingdom voted to leave the European Union and subsequently triggered Article 50 in March 2017 so that the UK will exit the EU two years later. 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 are continued concerns that the exit process will result in a slowdown in the UK economy. The company will be able to mitigate part of this risk by improved export opportunities associated with the lower value of Sterling.

This report was approved by the board of directors on 7 September 2017 and signed on behalf of the board by:



Mrs G Currie  
Director

# **Lascar Electronics Limited**

## **Directors' Report**

**Year ended 31 December 2016**

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

### **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 A Darcy  
Mr R Cameron  
Mr J J Navey  
Mr S Wigmore

Mr B G Currie resigned as a Director on 9 March 2017. Mr G C A Allen resigned as a Director on 16 August 2017.

### **Dividends**

Particulars of recommended dividends are detailed in note 13 to the financial statements.

### **Future developments**

The company will continue to develop innovative new electronic instruments with regular technical improvements.

### **Research and development**

Expenditure on research and development is written off in the year in which it is incurred. The company invests considerable resources in research and development, since it believes that its future success will be based upon a regular supply of innovative new products.

### **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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company 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.

# **Lascar Electronics Limited**

## **Directors' Report** *(continued)*

**Year ended 31 December 2016**

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 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 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 7 September 2017 and signed on behalf of the board by:



Mrs G Currie  
Director

# **Lascar Electronics Limited**

## **Independent Auditor's Report to the Members of Lascar Electronics Limited**

**Year ended 31 December 2016**

We have audited the financial statements of Lascar Electronics Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, the statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the 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.

## **Lascar Electronics Limited**

### **Independent Auditor's Report to the Members of Lascar Electronics Limited** *(continued)*

**Year ended 31 December 2016**

#### **Matters on which we are required to report by exception**

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

*Nexia Smith & Williamson*

Christopher Appleton (Senior Statutory Auditor)

For and on behalf of  
Nexia Smith & Williamson  
Chartered accountant & statutory auditor  
Cumberland House  
15-17 Cumberland Place  
Southampton  
Hampshire  
SO15 2BG

7 September 2017



**Lascar Electronics Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 December 2016**

|   |           | 2016                    | 2015                    |
|---|-----------|-------------------------|-------------------------|
|   | Note      | £                       | £                       |
| <b>Turnover</b>   | <b>4</b>  | <b>8,063,030</b>        | <b>7,156,235</b>        |
| Cost of sales   |           | <u>(5,102,935)</u>      | <u>(4,748,103)</u>      |
| <b>Gross profit</b>   |           | <b>2,960,095</b>        | <b>2,408,132</b>        |
| Distribution costs  |           | (436,973)               | (350,275)               |
| Administrative expenses   |           | (387,013)               | (961,126)               |
| Other operating income  | <b>5</b>  | <u>652</u>              | <u>260</u>              |
| <b>Operating profit</b>   | <b>6</b>  | <b>2,136,761</b>        | <b>1,096,991</b>        |
| Other interest receivable and similar income                        | <b>10</b> | <b>21,071</b>           | <b>16,780</b>           |
| Interest payable and similar expenses                               | <b>11</b> | <u>(26)</u>             | <u>—</u>                |
| <b>Profit before taxation</b>                                       |           | <b>2,157,806</b>        | <b>1,113,771</b>        |
| Tax on profit   | <b>12</b> | <u>(77,724)</u>         | <u>(24,854)</u>         |
| <b>Profit for the financial year and total comprehensive income</b> |           | <b><u>2,080,082</u></b> | <b><u>1,088,917</u></b> |
| Dividends paid and payable  | <b>13</b> | <b>(600,000)</b>        | <b>(500,000)</b>        |
| <b>Retained earnings at the start of the year</b>                   |           | <b>6,843,647</b>        | <b>6,254,730</b>        |
| <b>Retained earnings at the end of the year</b>                     |           | <b><u>8,323,729</u></b> | <b><u>6,843,647</u></b> |

All the activities of the company are from continuing operations.

The notes on pages 9 to 21 form part of these financial statements.


# Lascar Electronics Limited

## Statement of Financial Position

31 December 2016

|   | Note | 2016<br>£          | 2015<br>£        |
|---|------|--------------------|------------------|
| <b>Fixed assets</b>                                   |      |                    |                  |
| Intangible assets                                     | 14   | 1                  | 1                |
| Tangible assets (including investment property)       | 15   | 849,442            | 838,283          |
| Investments   | 16   | 29,490             | 29,490           |
|   |      | <u>878,933</u>     | <u>867,774</u>   |
| <b>Current assets</b>                                 |      |                    |                  |
| Stocks  | 17   | 2,578,151          | 2,247,413        |
| Debtors   | 18   | 5,768,704          | 4,721,361        |
| Cash at bank and in hand                              |      | 1,233,957          | 858,215          |
|   |      | <u>9,580,812</u>   | <u>7,826,989</u> |
| <b>Creditors: amounts falling due within one year</b> | 20   | <u>(1,209,086)</u> | <u>(934,131)</u> |
| <b>Net current assets</b>                             |      | <u>8,371,726</u>   | <u>6,892,858</u> |
| <b>Total assets less current liabilities</b>          |      | <u>9,250,659</u>   | <u>7,760,632</u> |
| <b>Provisions</b>                                     |      |                    |                  |
| Deferred tax  | 21   | (26,930)           | (16,985)         |
| <b>Net assets</b>                                     |      | <u>9,223,729</u>   | <u>7,743,647</u> |
| <b>Capital and reserves</b>                           |      |                    |                  |
| Called up share capital                               | 24   | 900,000            | 900,000          |
| Profit and loss account                               | 25   | 8,323,729          | 6,843,647        |
| <b>Shareholders funds</b>                             |      | <u>9,223,729</u>   | <u>7,743,647</u> |

These financial statements were approved by the board of directors and authorised for issue on 7 September 2017, and are signed on behalf of the board by:



Mrs G Currie  
Director

Company registration number: 05472682

The notes on pages 9 to 21 form part of these financial statements.

**Lascar Electronics Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2016**

**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 and in accordance with the company's accounting policies.

**Research and development**

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

**Disclosure exemptions**

The entity 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 are publicly available 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:

- No cash flow statement has been presented for the company.
- No disclosure has been given for the aggregate remuneration of key management personnel.
- No disclosure in respect of financial instruments has been given, as the information is provided with the consolidated financial statements of the group in which the entity is consolidated and the relevant disclosures are included.

**Consolidation**

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group. The subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Larasian Limited, a company registered in England and Wales.

# **Lascar Electronics Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2016**

### **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.

#### **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, trade debtors totalled £1,006,706, including a bad debt provision of £689.

##### **Stock provision:**

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, stocks were valued at £2,578,151, including provisions of £127,465.

##### **Tangible fixed assets:**

Tangible fixed assets are reviewed annually to consider their useful life and residual value. At the year end, the net book value of tangible fixed assets was £849,442.

##### **Investment property:**

Investment properties are revalued internally by directors at the end of each year. At the year end, investment property was valued at £183,418.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue is recognised at the point at which goods 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.

# **Lascar Electronics Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2016**

### **3. Accounting policies *(continued)***

#### **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 they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse based on tax rates and laws that have been enacted by 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **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. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

#### **Tangible assets**

Tangible fixed assets, other than property, are stated at cost less depreciation.

#### **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 is depreciated at 2% per annum.

Improvement to property is being written off over 3 years.

Other tangible fixed assets: the commercial and technological obsolescence and normal wear and tear is assessed for each asset individually, so that its value at 31st December 2016 is its net realisable value. The effective depreciation rate for the year was 8.4%.

# **Lascar Electronics Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2016**

### **3. Accounting policies *(continued)***

#### **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.

#### **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.

# Lascar Electronics Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 3. Accounting policies *(continued)*

#### Provisions

Provisions are made where 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 as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position 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 company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

### 4. Turnover

Turnover arises from:

|                      | 2016             | 2015             |
|----------------------|------------------|------------------|
|                      | £                | £                |
| Sale of goods        | 8,054,032        | 7,156,235        |
| Calibration services | 8,998            | —                |
|                      | <u>8,063,030</u> | <u>7,156,235</u> |

# Lascar Electronics Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 4. Turnover *(continued)*

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

|                   | 2016<br>£        | 2015<br>£        |
|-------------------|------------------|------------------|
| United Kingdom    | 4,942,952        | 4,368,243        |
| Europe            | 879,160          | 794,603          |
| USA               | 1,881,317        | 1,694,830        |
| Asia/FE           | 185,208          | 160,647          |
| Africa            | 10,998           | 10,654           |
| Australia         | 43,000           | 30,002           |
| Rest of the World | 53,615           | 38,801           |
| Middle East       | 66,780           | 58,455           |
|                   | <u>8,063,030</u> | <u>7,156,235</u> |

### 5. Other operating income

|                        | 2016<br>£  | 2015<br>£  |
|------------------------|------------|------------|
| Other operating income | <u>652</u> | <u>260</u> |

### 6. Operating profit

Operating profit or loss is stated after charging:

|   | 2016<br>£     | 2015<br>£ |
|---|---------------|-----------|
| Depreciation of tangible assets                               | 60,859        | 43,955    |
| Impairment of trade debtors                                   | 689           | —         |
| Foreign exchange differences (included within admin expenses) | (780,576)     | (234,931) |
| Inventory recognised as expense during the period             | 3,510,558     | 3,275,266 |
| Impairment of inventory (included in cost of sales)           | (4,243)       | 60,885    |
| Research & development expenditure written off                | 536,791       | 514,561   |
| Operating lease rental payments                               | <u>72,690</u> | <u>—</u>  |

### 7. Auditor's remuneration

|  | 2016<br>£     | 2015<br>£     |
|--|---------------|---------------|
| Fees payable for the audit of the financial statements | <u>13,109</u> | <u>11,455</u> |



# Lascar Electronics Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 December 2016**

### 8. Staff costs

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

|                      | 2016<br>No. | 2015<br>No. |
|----------------------|-------------|-------------|
| Production staff     | 19          | 23          |
| Distribution staff   | 10          | 10          |
| Administrative staff | 4           | 4           |
| Number of directors  | 4           | 4           |
|                      | <u>37</u>   | <u>41</u>   |

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

|                       | 2016<br>£        | 2015<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,357,903        | 1,326,261        |
| Social security costs | 120,678          | 115,431          |
| Other pension costs   | 56,887           | 58,008           |
|                       | <u>1,535,468</u> | <u>1,499,700</u> |

### 9. Directors' remuneration

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

|   | 2016<br>£      | 2015<br>£      |
|---|----------------|----------------|
| Remuneration  | 291,132        | 304,027        |
| Company contributions to defined contribution pension plans | 23,292         | 22,959         |
|   | <u>314,424</u> | <u>326,986</u> |

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

|                            | 2016<br>No. | 2015<br>No. |
|----------------------------|-------------|-------------|
| Defined contribution plans | <u>5</u>    | <u>5</u>    |

Remuneration of the highest paid director in respect of qualifying services:

|   | 2016<br>£     | 2015<br>£     |
|---|---------------|---------------|
| Aggregate remuneration                                      | 74,394        | 76,666        |
| Company contributions to defined contribution pension plans | 6,300         | 6,186         |
|   | <u>80,694</u> | <u>82,852</u> |

# Lascar Electronics Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 10. Other interest receivable and similar income

|                                       | 2016          | 2015          |
|---------------------------------------|---------------|---------------|
|                                       | £             | £             |
| Interest on cash and cash equivalents | 1,526         | 1,209         |
| Interest from group undertakings      | 19,545        | 15,571        |
|                                       | <u>21,071</u> | <u>16,780</u> |

### 11. Interest payable and similar expenses

|                                    | 2016 | 2015 |
|------------------------------------|------|------|
|                                    | £    | £    |
| Interest due to group undertakings | 26   | —    |

### 12. Tax on profit

#### Major components of tax expense

|  | 2016          | 2015          |
|--|---------------|---------------|
|  | £             | £             |
| <b>Current tax:</b>                            |               |               |
| UK current tax expense                         | 67,779        | —             |
| Adjustments in respect of prior periods        | —             | 5,692         |
| Total current tax                              | <u>67,779</u> | <u>5,692</u>  |
| <b>Deferred tax:</b>                           |               |               |
| Origination and reversal of timing differences | 9,945         | 19,162        |
| <b>Tax on profit</b>                           | <u>77,724</u> | <u>24,854</u> |

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

|  | 2016             | 2015             |
|--|------------------|------------------|
|  | £                | £                |
| Profit on ordinary activities before taxation        | <u>2,157,806</u> | <u>1,113,771</u> |
| Profit on ordinary activities by rate of tax         | 431,593          | 225,392          |
| Adjustment to tax charge in respect of prior periods | —                | 5,692            |
| Effect of expenses not deductible for tax purposes   | 1,011            | 11,557           |
| Effect of fixed asset timing differences             | 2,149            | 2,807            |
| Research and development                             | (139,705)        | (134,133)        |
| Group relief claimed                                 | (213,257)        | (84,314)         |
| Deferred tax rate changes                            | (4,067)          | (2,147)          |
| <b>Tax on profit</b>                                 | <u>77,724</u>    | <u>24,854</u>    |

**Lascar Electronics Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2016**

**13. Dividends**

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

|                                | 2016<br>£      | 2015<br>£      |
|--------------------------------|----------------|----------------|
| Dividends paid during the year | <u>600,000</u> | <u>500,000</u> |

There were no dividends outstanding at the balance sheet date (2015: £Nil).

**14. Intangible assets**

|                               | Intellectual<br>Rights<br>£ |
|-------------------------------|-----------------------------|
| <b>Cost</b>                   |                             |
| At 1 Jan 2016 and 31 Dec 2016 | <u>1</u>                    |
| <b>Amortisation</b>           |                             |
| At 1 Jan 2016 and 31 Dec 2016 | <u>–</u>                    |
| <b>Carrying amount</b>        |                             |
| At 31 December 2016           | <u>1</u>                    |

**15. Tangible assets (including investment property)**

|                        | Freehold<br>Property &<br>L'hold Imps<br>£ | Plant and<br>Machinery<br>£ | Fixtures and<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Office<br>Equipment<br>£ | Total<br>£       |
|------------------------|--|-----------------------------|-------------------------------|------------------------|--------------------------|------------------|
| <b>Cost</b>            |  |                             |                               |                        |                          |                  |
| At 1 Jan 2016          | 801,113                                    | 77,646                      | 81,089                        | 38,791                 | 249,618                  | 1,248,257        |
| Additions              | 13,256                                     | 27,563                      | 14,735                        | –                      | 16,465                   | 72,019           |
| Disposals              | –  | (102)                       | –                             | –                      | –                        | (102)            |
| <b>At 31 Dec 2016</b>  | <u>814,369</u>                             | <u>105,107</u>              | <u>95,824</u>                 | <u>38,791</u>          | <u>266,083</u>           | <u>1,320,174</u> |
| <b>Depreciation</b>    |  |                             |                               |                        |                          |                  |
| At 1 Jan 2016          | 97,382                                     | 52,960                      | 43,505                        | 18,750                 | 197,377                  | 409,974          |
| Charge for the year    | 10,747                                     | 14,098                      | 10,356                        | 6,852                  | 18,806                   | 60,859           |
| Disposals              | –  | (101)                       | –                             | –                      | –                        | (101)            |
| <b>At 31 Dec 2016</b>  | <u>108,129</u>                             | <u>66,957</u>               | <u>53,861</u>                 | <u>25,602</u>          | <u>216,183</u>           | <u>470,732</u>   |
| <b>Carrying amount</b> |  |                             |                               |                        |                          |                  |
| <b>At 31 Dec 2016</b>  | <u>706,240</u>                             | <u>38,150</u>               | <u>41,963</u>                 | <u>13,189</u>          | <u>49,900</u>            | <u>849,442</u>   |
| At 31 Dec 2015         | <u>703,731</u>                             | <u>24,686</u>               | <u>37,584</u>                 | <u>20,041</u>          | <u>52,241</u>            | <u>838,283</u>   |

Included within the above is investment property as follows:

|   | £              |
|---|----------------|
| <b>At 1 January 2016 and 31 December 2016</b> | <u>183,418</u> |

# Lascar Electronics Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

#### 15. Tangible assets (including investment property) *(continued)*

One property is included in investment property. The market value shown at 31 December 2016 was valued internally by the directors. There has been no change in valuation since the previous year end. It is subsequently carried at fair value determined annually. Changes in fair value are recognised in profit or loss.

#### 16. Investments

The cost and net book value of investments in subsidiary undertakings totalled £29,490 as at 1 January 2016 and 31 December 2016. There have been no additions or disposals to this figure during the year.

##### Subsidiaries, associates and other investments

|                                 | Class of share | Percentage of shares held |
|---------------------------------|----------------|---------------------------|
| <b>Subsidiary undertakings</b>  |                |                           |
| Lascar Electronics (HK) Limited | Ordinary       | 100                       |
| Lascar Electronics Inc          | Ordinary       | 100                       |
| 3WData.Com Limited              | Ordinary       | 100                       |
| Lascar Limited                  | Ordinary       | 100                       |
| Lascar Group (HK) Limited       | Ordinary       | 100                       |

The registered office of 3WData.Com 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 Lascar Electronics Inc is 4528 West 12th Street, Erie, Pennsylvania, USA.

#### 17. Stocks

|                                     | 2016<br>£        | 2015<br>£        |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables       | 115,134          | 130,134          |
| Work in progress                    | 6,843            | 11,561           |
| Finished goods and goods for resale | 2,456,174        | 2,105,718        |
|                                     | <u>2,578,151</u> | <u>2,247,413</u> |

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

#### 18. Debtors

|                                    | 2016<br>£        | 2015<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 1,006,706        | 765,539          |
| Amounts owed by group undertakings | 4,714,481        | 3,847,977        |
| Prepayments and accrued income     | 47,517           | 48,458           |
| Corporation tax repayable          | —                | 59,387           |
|                                    | <u>5,768,704</u> | <u>4,721,361</u> |

# Lascar Electronics Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 December 2016**

### 19. Secured debts

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

### 20. Creditors: amounts falling due within one year

|                                    | 2016             | 2015           |
|------------------------------------|------------------|----------------|
|                                    | £                | £              |
| Trade creditors                    | 113,495          | 115,263        |
| Amounts owed to group undertakings | 704,155          | 608,834        |
| Accruals and deferred income       | 136,970          | 99,686         |
| Corporation tax                    | 67,779           | —              |
| Social security and other taxes    | 186,687          | 110,348        |
|                                    | <u>1,209,086</u> | <u>934,131</u> |

### 21. Provisions

|                     | Deferred tax<br>(note 22)<br>£ |
|---------------------|--------------------------------|
| At 1 January 2016   | 16,985                         |
| Additions           | 9,945                          |
| At 31 December 2016 | <u>26,930</u>                  |

### 22. Deferred tax

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

|                                  | 2016          | 2015          |
|----------------------------------|---------------|---------------|
|                                  | £             | £             |
| Included in provisions (note 21) | <u>26,930</u> | <u>16,985</u> |

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

|   | 2016          | 2015          |
|---|---------------|---------------|
|   | £             | £             |
| Deferred tax - fixed asset timing differences | 27,950        | 24,728        |
| Deferred tax - short term timing differences  | (1,020)       | (7,743)       |
|   | <u>26,930</u> | <u>16,985</u> |

### 23. Retirement benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £56,887 (2015: £58,008).

At the balance sheet date, there were unpaid contributions of £51,552 (2015: £5,808) which are included in accruals and deferred income.

# Lascar Electronics Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 24. Called up share capital

Issued, called up and fully paid

|                            | 2016           |                | 2015           |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | No.            | £              | No.            | £              |
| Ordinary shares of £1 each | <u>900,000</u> | <u>900,000</u> | <u>900,000</u> | <u>900,000</u> |

### 25. Reserves

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

### 26. Operating leases

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

|  | 2016             | 2015     |
|--|------------------|----------|
|  | £                | £        |
| Not later than 1 year                        | 73,878           | -        |
| Later than 1 year and not later than 5 years | 295,216          | -        |
| Later than 5 years                           | 677,440          | -        |
|  | <u>1,046,534</u> | <u>-</u> |

### 27. Related party transactions

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

#### Corintech Limited - Company under the control of Larasian Limited

Goods and services supplied by Corintech Limited: £332,227 (2015: £524,028).

Administrative staff employed by the company have been charged to Corintech Limited for £62,217 (2015: £70,570)

Goods and services supplied to Corintech Limited: £67,469 (2015: £58,157).

During the year, loans of £200,000 were made to Corintech Limited. These loans are repayable within one year.

At the year end date, the total amount due from Corintech was £186,670 (2015 due to Corintech: £7,647).

#### Lascar Electronics Executive Pension Scheme

The company occupies premises owned by Lascar Electronics Executive Pension Scheme - a pension scheme operated for the benefit of B. Currie and Mrs. G. Currie.

A commercial annual rent of £73,000 (2015: £70,000) is payable.

At the year end date, the total amount due to Lascar Electronics Executive Pension Scheme was £22,452 (2015: £Nil).

#### Trade Aid

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

Goods and services supplied to Trade Aid: £Nil (2015: £90).

Donations to Trade Aid amounted to £125,560 (2015: £150,000).

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

# **Lascar Electronics Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2016**

### **28. Controlling party**

The ultimate holding company is Larasian Limited, a company incorporated in England and Wales, and under the control of B. Currie and Mrs. G. Currie. Consolidation accounts of Larasian Limited, the smallest and largest group into which this company is consolidated, are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.