

Corintech Limited
Directors' Report and Financial Statements
31 December 2020



NEXIA SMITH & WILLIAMSON
Chartered accountants & statutory auditor
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Corintech Limited
Financial Statements
Year ended 31 December 2020

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Corintech Limited

Officers and Professional Advisers

The board of directors

Mr JJ Navey
Mr RS Piwowarski
Mr PJ Cross
Mr TJ Waterman
Mr DC James
Mr GCA Allen
Mr T Jordan-Dench
Mr M Skinner

Registered office

Ashford Mill
Fordingbridge
Hampshire
SP6 1DZ

Auditor

Nexia Smith & Williamson
Chartered accountants & statutory auditor
4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Bankers

National Westminster
48 Blue Boar Row
Salisbury
Wiltshire
SP1 1DF

Corintech Limited

Strategic Report

Year ended 31 December 2020

The directors present their strategic report for Corintech Limited for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

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

REVIEW OF THE 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 very satisfactory and well-ahead of 2019. Turnover increased by 11% compared to 2019. Gross margin increased from 26.7% in 2019 to 26.8% in 2020, but operating profit margin decreased from 8.8% in 2019 to 4.2% in 2020. Turnover per employee was £188,118, up from £155,100 per employee in 2019. Return on capital employed was 6.4%, compared to 13.0% in 2019.

The company and the group to which the company belongs have adequate financial resources to support the business for the foreseeable future and the directors consider the state of affairs of both the company and the group, of which it is a subsidiary, to be satisfactory.

RISK

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 risk has been identified as a risk and will be managed on a daily basis.

Since the first quarter of 2020 the UK and the Rest of the World have been dealing with the health and economic risks associated with the Coronavirus known as Covid-19. At an early stage the company took significant actions to mitigate health risks in the workplace which included a number of staff working from home for an extended period of time. The company supplies essential products to a number of customers and therefore continued production in difficult circumstances. At the same time actions were taken to protect future cash requirements with careful monitoring of working capital in order to maximise cash reserves. The ongoing effects of the pandemic are being monitored carefully, but as a result of increased supply of essential products company revenue and profits are expected to be satisfactory in 2021 although perhaps a little below 2020.

The United Kingdom left the European Union at the beginning of 2020. The transition period ended on 31 December 2020 with a trade agreement in place. 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. The company will be able to mitigate part of this risk by improved export opportunities encouraged by the lower value of Sterling.

This report was approved by the board of directors on 24/11/2021 and signed on behalf of the board by:

Julian Navey (Nov 24, 2021 11:29 GMT)

Mr JJ Navey
Director

Corintech Limited

Directors' Report

Year ended 31 December 2020

The directors present their report and the financial statements of the company for the year ended 31 December 2020.

Directors

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

Mr JJ Navey
Mr RS Piwowarski
Mr PJ Cross
Mr TJ Waterman
Mr DC James
Mr GCA Allen
Mr T Jordan-Dench
Mr M Skinner

Dividends

The directors do not recommend the payment of a dividend.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 23 to the financial statements.

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.

Disclosure of information in the strategic report

Certain information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the strategic report.

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 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.

Corintech Limited

Directors' Report *(continued)*

Year ended 31 December 2020

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.


Auditor

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 24/11/2021 and signed on behalf of the board by:



Julian Navey (Nov 24, 2021 11:29 GMT)

Mr JJ Navey
Director

Corintech Limited

Independent Auditor's Report to the Members of Corintech Limited

Year ended 31 December 2020

Opinion

We have audited the financial statements of Corintech Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in Directors' Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corintech Limited

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

Year ended 31 December 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement as set out on pages 3 and 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 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 company or to cease operations, or have no realistic alternative but to do so.

Corintech Limited

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

Year ended 31 December 2020

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation. We understand that the company complies with the framework through:

- Outsourcing tax compliance to external experts.
- Subscribing to relevant updates from external experts and making changes to internal procedures and controls as necessary.
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Stock and debtors provisions as these are estimates made by Management
- Property classification and valuation given the judgements and estimation involved
- Manipulation of the financial statements, especially revenue, via fraudulent journal entries or error affecting cut-off around the year end

These areas were communicated to the other members of the engagement team not present at the discussion. The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates and judgements identified above, and comparison to post-year-end data as appropriate.
- Substantive testing on revenue recognition ensuring that revenue was recognised appropriately.

Corintech Limited

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

Year ended 31 December 2020

- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts.

A further description of our responsibilities is available 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.

Nexia Smith & Williamson

Nexia Smith & Williamson (Nov 24, 2021 11:53 GMT)

Alan Waters (Senior Statutory Auditor)

For and on behalf of
Nexia Smith & Williamson
Chartered accountants & statutory auditor
4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date : 24/11/2021

Corintech Limited

Statement of Income and Retained Earnings

Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	12,227,716	11,010,626
Cost of sales		<u>(8,950,581)</u>	<u>(8,065,664)</u>
Gross profit		3,277,135	2,944,962
Distribution costs		<u>(429,597)</u>	<u>(611,479)</u>
Administrative expenses		<u>(2,334,427)</u>	<u>(1,357,982)</u>
Operating profit	5	513,111	975,501
Other interest receivable and similar income	9	1,502	801
Interest payable and similar expenses	10	<u>(4)</u>	<u>—</u>
Profit before taxation		514,609	976,302
Tax on profit	11	<u>3,135</u>	<u>(28,693)</u>
Profit for the financial year and total comprehensive income		<u>517,744</u>	<u>947,609</u>
Retained earnings at the start of the year		<u>6,742,529</u>	<u>5,794,920</u>
Retained earnings at the end of the year		<u>7,260,273</u>	<u>6,742,529</u>


All the activities of the company are from continuing operations.

The notes on pages 11 to 25 form part of these financial statements.

Corintech Limited
Statement of Financial Position
31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	1	1
Tangible assets	13	1,538,502	1,666,215
Investments	14	70	70
		<u>1,538,573</u>	<u>1,666,286</u>
Current assets			
Stocks	15	1,749,574	2,714,992
Debtors	16	4,872,436	4,819,828
Cash at bank and in hand		2,576,862	962,298
		<u>9,198,872</u>	<u>8,497,118</u>
Creditors: amounts falling due within one year	17	<u>(2,713,767)</u>	<u>(2,652,872)</u>
Net current assets		<u>6,485,105</u>	<u>5,844,246</u>
Total assets less current liabilities		<u>8,023,678</u>	<u>7,510,532</u>
Provisions			
Deferred tax	18	(67,502)	(72,100)
Net assets		<u>7,956,176</u>	<u>7,438,432</u>
Capital and reserves			
Called up share capital	21	443,372	443,372
Share premium account	22	237,531	237,531
Capital redemption reserve	22	15,000	15,000
Profit and loss account	22	7,260,273	6,742,529
Shareholders funds		<u>7,956,176</u>	<u>7,438,432</u>

These financial statements were approved by the board of directors and authorised for issue on 24/11/2021 and are signed on behalf of the board by:


Julian Navey (Nov 24, 2021 11:29 GMT)

Mr JJ Navey
Director

Company registration number: 01339950

The notes on pages 11 to 25 form part of these financial statements.

Corintech Limited

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Ashford Mill, Fordingbridge, Hampshire, SP6 1DZ.

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 fair value, in accordance with the company's accounting policies.

Group accounts

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.

Going concern

The directors have considered forecasts for the Company for the period to the end of December 2022 and beyond, which considers the funding structure currently in place as well as potential alternative funding scenarios. The directors have a reasonable expectation that the Company has adequate resources to meet their obligations as they fall due for a period of at least 12 months after the date on which the financial statements are signed and accordingly continue to adopt the going concern basis in preparing the financial statements.

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 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:

- No cash flow statement has been presented for the company.
- No disclosure in respect of share options and 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.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements 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.

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

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 uncollectible. At the year end, trade debtors totalled £2,053,913 (2019 - £2,011,072).

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, stocks were valued at £1,749,574 (2019 - £2,714,992).

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 £1,538,502 (2019 - £1,666,215).

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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 it is probable the expenses recognised will be recovered.

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

Income tax

Deferred taxation is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain. Any assets and liabilities recognised have not been discounted.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are stated at cost less any provision for impairment

Research and development

Research expenditure is written off in the period in which it is incurred.

Tangible assets

Tangible fixed assets, other than those classified as investment 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	-	50 years
Plant and machinery	-	5 - 10 years
Fixtures and fittings	-	3 - 10 years
Motor vehicles	-	4 years
Office equipment	-	5 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.

Investments

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

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

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.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

3. Accounting policies *(continued)*

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 pension costs in the financial statements represent the contributions payable by the company during the year.

4. Turnover

Turnover arises from:

	2020	2019
	£	£
Sale of goods	12,131,791	10,943,357
Rendering of services	87,525	58,869
Property sales and rent	8,400	8,400
	<u>12,227,716</u>	<u>11,010,626</u>

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:

	2020	2019
	£	£
United Kingdom	10,483,841	9,211,659
Europe	447,467	403,855
USA	775,005	743,522
Asia/FE	363,249	504,883
Rest of the World	158,154	146,707
	<u>12,227,716</u>	<u>11,010,626</u>

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020	2019
	£	£
Depreciation of tangible assets	171,247	162,697
Gains on disposal of tangible assets	—	(481)
Impairment of trade debtors	721,000	—
Foreign exchange differences	49,640	99,419
Impairment of inventory (included in the cost of sales)	468	—
	<u>772,355</u>	<u>262,635</u>

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>14,300</u>	<u>13,011</u>

7. Staff costs

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

	2020	2019
	No.	No.
Production staff	36	39
Distribution staff	7	6
Administrative staff	14	18
Directors	8	8
	<u>65</u>	<u>71</u>

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

	2020	2019
	£	£
Wages and salaries	2,176,228	2,043,021
Social security costs	140,779	134,141
Other pension costs	406,080	112,310
	<u>2,723,087</u>	<u>2,289,472</u>

8. Directors' remuneration

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

	2020	2019
	£	£
Remuneration	490,366	368,191
Company contributions to defined contribution pension plans	339,576	51,657
	<u>829,942</u>	<u>419,848</u>

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

	2020	2019
	No.	No.
Defined contribution plans	<u>6</u>	<u>6</u>

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

8. Directors' remuneration *(continued)*

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

	2020	2019
	£	£
Aggregate remuneration	136,986	93,127
Company contributions to defined contribution pension plans	37,560	7,560
	<u>174,546</u>	<u>100,687</u>

9. Other interest receivable and similar income

	2020	2019
	£	£
Interest on loans and receivables	1,165	522
Interest on cash and cash equivalents	337	279
	<u>1,502</u>	<u>801</u>

10. Interest payable and similar expenses

	2020	2019
	£	£
Interest due to group undertakings	4	—
	<u>4</u>	<u>—</u>

11. Tax on profit

Major components of tax (income)/expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	1,721	10,697
Adjustments in respect of prior periods	(258)	—
Total current tax	<u>1,463</u>	<u>10,697</u>
Deferred tax:		
Origination and reversal of timing differences	(4,598)	17,996
Tax on profit	<u>(3,135)</u>	<u>28,693</u>

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

11. Tax on profit *(continued)*

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Profit on ordinary activities before taxation	514,609	976,302
Profit on ordinary activities by rate of tax	97,776	185,497
Adjustment to tax charge in respect of prior periods	(258)	–
Effect of expenses not deductible for tax purposes	136,990	3,032
Effect of capital allowances and depreciation	3,392	1,952
Effect of different UK tax rates on some earnings	–	(1,888)
Other short term timing differences	–	1,947
Additional deduction for R & D Expenditure	(85,668)	(77,067)
Group relief claimed	(163,832)	(84,780)
Adjustments to deferred tax	8,465	–
Tax on profit	(3,135)	28,693

Factors that may affect future tax income

A reduction in the UK corporation tax rate to 17% from 1 April 2020 was substantively enacted on 6 September 2017.

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporate tax rate from 19% to 17%. This announcement does not constitute substantive enactment and therefore deferred taxes at the balance sheet date continue to be measured at the enacted rate of 17%.

12. Intangible assets

	Intellectual Rights £
Cost	
At 1 January 2020 and 31 December 2020	1
Amortisation	
At 1 January 2020 and 31 December 2020	–
Carrying amount	
At 31 December 2020	1
At 31 December 2019	1

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

13. Tangible assets

	Freehold Property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office Equipment £	Total £
Cost						
At 1 Jan 2020	1,294,138	883,457	359,821	34,432	377,176	2,949,024
Additions	7,003	18,794	2,455	—	15,282	43,534
Disposals	—	(221,426)	(57,817)	—	(174,970)	(454,213)
At 31 Dec 2020	<u>1,301,141</u>	<u>680,825</u>	<u>304,459</u>	<u>34,432</u>	<u>217,488</u>	<u>2,538,345</u>
Depreciation						
At 1 Jan 2020	216,081	543,872	181,094	6,462	335,300	1,282,809
Charge for the year	17,851	83,398	31,848	5,197	32,953	171,247
Disposals	—	(221,426)	(57,817)	—	(174,970)	(454,213)
At 31 Dec 2020	<u>233,932</u>	<u>405,844</u>	<u>155,125</u>	<u>11,659</u>	<u>193,283</u>	<u>999,843</u>
Carrying amount						
At 31 Dec 2020	<u>1,067,209</u>	<u>274,981</u>	<u>149,334</u>	<u>22,773</u>	<u>24,205</u>	<u>1,538,502</u>
At 31 Dec 2019	<u>1,078,057</u>	<u>339,585</u>	<u>178,727</u>	<u>27,970</u>	<u>41,876</u>	<u>1,666,215</u>

One property is included in investment property. The market value was originally valued externally. It is carried forward at fair value determined annually by the directors. Changes in fair value are recognised in the profit or loss. At the year end this totalled £330,000 (2019: £330,000).

14. Investments

	Shares in group undertakings £
Cost	
At 1 January 2020 and 31 December 2020	<u>70</u>
Impairment	
At 1 January 2020 and 31 December 2020	<u>—</u>
Carrying amount	
At 31 December 2020	<u>70</u>
At 31 December 2019	<u>70</u>

The cost and net book value of investments and subsidiary undertakings totalled £70 as at 1 January 2020 and 31 December 2020. There have been no additions or disposals to this figure during the year.

Corintech Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2020

14. Investments (continued)

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Corintech (HK) Limited	Ordinary	100

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

15. Stocks

	2020 £	2019 £
Raw materials and consumables	369,635	498,466
Work in progress	83,598	100,732
Finished goods and goods for resale	1,296,341	2,115,794
	<u>1,749,574</u>	<u>2,714,992</u>

16. Debtors

	2020 £	2019 £
Trade debtors	2,053,913	2,011,072
Amounts owed by group undertakings	2,786,887	2,747,386
Prepayments and accrued income	31,636	58,944
Other debtors	—	2,426
	<u>4,872,436</u>	<u>4,819,828</u>

17. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	458,600	462,477
Amounts owed to group undertakings	1,423,522	1,654,264
Accruals and deferred income	423,944	226,789
Corporation tax	12,160	10,697
Social security and other taxes	395,541	138,735
Other creditors	—	159,910
	<u>2,713,767</u>	<u>2,652,872</u>

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

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

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

18. Provisions

	Deferred tax (note 19) £
At 1 January 2020	72,100
Unused amounts reversed	(4,598)
At 31 December 2020	<u>67,502</u>

19. Deferred tax

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

	2020 £	2019 £
Included in provisions (note 18)	<u>67,502</u>	<u>72,100</u>

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

	2020 £	2019 £
Accelerated capital allowances	<u>67,502</u>	<u>72,100</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £406,080 (2019: £112,310).

No contributions were outstanding.

21. Called up share capital

Authorised share capital

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,043,372</u>	<u>1,043,372</u>	<u>1,043,372</u>	<u>1,043,372</u>

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>443,372</u>	<u>443,372</u>	<u>443,372</u>	<u>443,372</u>

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

22. Reserves

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

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

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

23. Events after the end of the reporting period

On 25 October 2021 the company bought-back 73,898 ordinary shares of £1 each for a consideration of £872,000.

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

24. Related party transactions

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

Larasian Limited - parent company

Goods and services supplied to Larasian Limited - £5,976 (2019 - £21,573). Goods and services supplied by Larasian Limited - £53,366 (2019 - £53,495).

Administrative staff employed by Larasian Limited have been charged to the company for £220,828 (2019 - £179,221). Building Services staff employed by Larasian Limited have been charged to the company for £29,859 (2019 - £12,680).

During the year there were payments totalling £300,000 (2019 - £Nil) to Larasian Limited.

At the balance sheet date the amount due from Larasian Limited was £992,498 (2019 - £790,417).

Lascar Electronics Limited - a company under common control

Goods and services supplied to Lascar Electronics Limited - £250,143 (2019 - £324,461). Goods and services supplied by Lascar Electronics Limited - £290,185 (2019 - £254,983).

Administrative staff employed by Lascar Electronics Limited have been charged to the company for £144,901 (2019 - £67,289).

During the year loans of £Nil (2019 - £247,397) were made to the company by Lascar Electronics Limited. These loans are repayable within one year.

At the balance sheet date the amount due to Lascar Electronics Limited was £985,950 (2019 - £928,345).

Lascar Electronics Inc - a company under common control

Goods and services supplied to Lascar Electronics Inc - £549,527 (2019 - £511,623). Goods and services supplied by Lascar Electronics Inc - £2,998 (2019 - £Nil).

At the balance sheet date the amount due from Lascar Electronics Inc was £234,429 (2019 - £28,413).

Lascar Electronics (HK) Limited - a company under common control

Goods and services supplied to Lascar Electronics (HK) Limited - £45,245 (2019 - £70,520).

Goods and services supplied by Lascar Electronics (HK) Limited - £749 (2019 - £1,050).

Administrative staff employed by Corintech Limited have been charged to Lascar Electronics (HK) Limited for £39,073 (2019 - £35,729).

At the balance sheet date the amount due from Lascar Electronics (HK) Limited was £8,048 (2019 - £73,900).

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

Corintech (HK) Limited - a company under common control

Goods and services supplied to Corintech (HK) Limited - £773,642 (2019 - £1,664,605). Goods and services supplied by Corintech (HK) Limited - £4,709,362 (2019 - £5,222,815).

Administrative staff employed by Corintech Limited have been charged to Corintech (HK) Limited for £39,072 (2019 - £35,729).

At the balance sheet date the amount due from Corintech (HK) Limited was £232,084 (2019 - £301,441).

TFW (UK) Limited - a company under common control

Goods and services supplied to TFW (UK) Limited - £394 (2019 - £95). Goods and services supplied by TFW (UK) Limited - £9,491 (2019 - £4,767).

At the balance sheet date the amount due from TFW (UK) Limited was £206,007 (2019 - £187,005), of which £129,947 has been provided for (2019 - £129,947 provided).

Select Country Inns Limited - a company under common control

Freehold property supplied by Select Country Inns Limited - £Nil (2019 - £50,000). Goods and services supplied to Select Country Inns Limited - £2,299 (2019 - £2,762).

At the balance sheet date the amount due from Select Country Inns Limited was £1,819,213 (2019 - £1,346,165), of which £1,009,092 has been provided for (2019 - £288,092 provision).

Bull Inn (WSG) Limited - a company under common control

Goods and services supplied to Bull Inn (WSG) Limited - £Nil (2019 - £290).

At the balance sheet date the amount due from Bull Inn (WSG) Limited was £88,468, which is fully provided for (2019 - £88,468).

Railway Hotel Fordingbridge Limited

Goods and services supplied to Railway Hotel Fordingbridge Limited - £2,118 (2019 - £Nil).

Goods and services supplied by Railway Hotel Fordingbridge Limited - £392 (2019 - £Nil).

At the balance sheet date the amount owed to Railway Hotel Fordingbridge Limited - £165 (2019 £Nil).

Fordingbridge Regal Cinema Club (FRCC)

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

Goods and services supplied to FRCC - £460 (2019 - £3,657). Goods and services supplied by FRCC - £115 (2019 - £6,317).

Corintech Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

At the balance sheet the amount due from FRCC was £1,234 (2019 - £Nil).

Key Management Personnel

During the year, services provided to the group by close family members of key management personnel £13,688 (2019 - £14,735).

During the year a director paid to the company £8,400 (2019 - £8,400) for rental of a company property. Another director paid rent amounting to £4,400 (2019 - £6,600) to another group company.

25. Share option scheme

Certain employees hold options to subscribe for shares in Larasian Limited. Full details of the scheme are disclosed in the Larasian Limited financial statements.

26. Controlling party

The ultimate holding company is Larasian Limited, a company incorporated in England and Wales. The company is controlled by Larasian Limited, a company owned and controlled by B G Currie and Mrs G Currie.

Copies of consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.