

CRITERION TEC LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR



CRITERION TEC LIMITED

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CRITERION TEC LIMITED

BALANCE SHEET

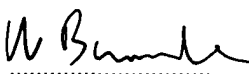
AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	3		4		-
Investments in joint ventures	4		-		-
			<u>4</u>		<u>-</u>
Current assets					
Debtors	5	411		329	
Cash at bank and in hand		1,025		920	
		<u>1,436</u>		<u>1,249</u>	
Creditors: amounts falling due within one year	6	(314)		(231)	
Net current assets			<u>1,122</u>		<u>1,018</u>
Total assets less current liabilities			<u>1,126</u>		<u>1,018</u>
Creditors: amounts falling due after more than one year	7		-		(814)
Net assets			<u>1,126</u>		<u>204</u>
Capital and reserves					
Called up share capital	8		-		-
Other reserves	9		1,494		680
Profit and loss reserves			(368)		(476)
Total equity			<u>1,126</u>		<u>204</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 / 06 / 2023 and are signed on its behalf by:



W. Burnside (Managing Director)
Director

Company Registration No. SC568537

CRITERION TEC LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Other reserves £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2021	714	(531)	183
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	21	21
Transfers	(34)	34	-
Balance at 31 December 2021	680	(476)	204
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	108	108
Capital contribution	9 814	-	814
Balance at 31 December 2022	1,494	(368)	1,126

CRITERION TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Criterion Tec Limited is a private company limited by shares incorporated in Scotland. The registered office is 9-10 St Andrew Square, Edinburgh, EH2 2AF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities and is stated net of VAT. Sale of goods include the provision of standards and are recognised when contracted for, whilst provision of services include the access to retirement health form database and are recognised over the life of the customer agreement.

Other operating income

Other operating income includes payments made under the Shareholders' Agreement. This income is to cover costs associated with the development and maintenance of the company's products and the income is recognised in the period that cost is incurred.

1.4 Tangible fixed assets

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

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

Fixtures and fittings	2 years
Computer equipment	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

CRITERION TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets including cash in hand and deposits held at call with banks.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CRITERION TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and amounts owed to fellow group companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Taxation

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

Research and development tax credits are recognised on a systematic basis as the entity recognises costs which are eligible for research and development tax credits, and only to the extent that the directors are satisfied, based on previous claims, that amounts will be recoverable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

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

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CRITERION TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

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

	2022 Number	2021 Number
Total	15	15

3 Tangible fixed assets

	Plant and machinery etc £'000
Cost	
At 1 January 2022	-
Additions	4
At 31 December 2022	4
Depreciation and impairment	
At 1 January 2022 and 31 December 2022	-
Carrying amount	
At 31 December 2022	4
At 31 December 2021	-

4 Joint ventures

Details of the company's joint ventures at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
CT Holdings & Services Ltd	England	Development of STAR framework	Ordinary	50	-

At the year-end, Criterion Tec Limited had no outstanding capital commitments owed to CT Holdings & Services Limited.

CRITERION TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	256	176
Corporation tax recoverable	43	44
Amounts owed by undertakings in which the company has a participating interest	35	52
Other debtors	77	57
	<u>411</u>	<u>329</u>

6 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	38	35
Taxation and social security	222	139
Other creditors	54	57
	<u>314</u>	<u>231</u>

7 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Other creditors	-	814
	<u>-</u>	<u>814</u>

The long term creditor related to a loan from Origo Services Limited (former parent company) which was unsecured and interest free. This creditor was waived in full on 1 June 2022. Please see note 9 for further information on the creditor waiver.

8 Called up share capital

	2022 £'000	2021 £'000
2 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

9 Other reserves

Other reserves represent capital contributions received through the waiver of loan balances from the former parent company which was under of common control up until 1 June 2022.

CRITERION TEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was William King and the auditor was Johnston Carmichael LLP.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£'000	£'000
42	-
<u>42</u>	<u>-</u>

12 Related party transactions

During the year, Criterion Tec Limited made £58k (2021: £64k) of other operating income in respect of management fees charged to CT Holdings & Services Ltd. At 31 December 2022, £nil (2021: £25k) was outstanding on an unsecured loan to CT Holdings & Services Ltd which was repayable one year from issuance. At 31 December 2022, £35k (2021: £52k) is due from CT Holdings & Services Ltd.

13 Parent company

The Company's immediate parent company is Criterion Tec Holdings Ltd, a company registered in Scotland.

In the opinion of the directors, there is no ultimate controlling party.