

CRITERION PACKAGING LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

CRITERION PACKAGING LIMITED
REGISTERED NUMBER: 02861038

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	20,849	37,507
Tangible assets	5	508,904	293,920
		<u>529,753</u>	<u>331,427</u>
Current assets			
Stocks		78,158	86,118
Debtors: amounts falling due within one year	6	351,257	264,318
Cash at bank and in hand		223,102	37,696
		<u>652,517</u>	<u>388,132</u>
Creditors: amounts falling due within one year	7	(374,766)	(184,877)
Net current assets		<u>277,751</u>	<u>203,255</u>
Total assets less current liabilities		<u>807,504</u>	<u>534,682</u>
Creditors: amounts falling due after more than one year	8	(339,789)	(95,333)
Provisions for liabilities			
Deferred tax	9	(44,915)	(20,327)
Net assets		<u><u>422,800</u></u>	<u><u>419,022</u></u>
Capital and reserves			
Called up share capital		12,500	12,500
Capital redemption reserve		12,500	12,500
Profit and loss account		397,800	394,022
		<u><u>422,800</u></u>	<u><u>419,022</u></u>

CRITERION PACKAGING LIMITED
REGISTERED NUMBER: 02861038

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 February 2021.

K Hepplestone
Director

The notes on pages 3 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Criterion Packaging Limited is a private company limited by shares, incorporated in England and Wales (registered number: 02861038). Its registered office is Unit 3C, Parkway Industrial Estate, Nunnery Drive, Sheffield, S2 1TA. The principal activity of the Company throughout the year continued to be that of the manufacture and printing of plastic products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentation currency is pounds sterling.

The following principal accounting policies have been applied:

2.2 Going concern

The outbreak of the Coronavirus in the UK from March 2020 onwards has impacted the whole country and the related disruption is affecting the general economy. The directors have carefully considered the likely effect of Covid-19 on the Company's future financial performance. The directors have concluded that despite the ongoing difficulties affecting the UK economy, the Company will continue to have sufficient working capital to settle its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements, and on this basis it is therefore appropriate that they are prepared on a going concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

The depreciation rates used are:

Freehold property	-	2%	straight line
Plant & machinery	-	10%	straight line
Motor vehicles	-	25%	straight line
Fixtures & fittings	-	20%	straight line
Office equipment	-	33%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as bank and cash balances, trade and other accounts receivable and payable, loans from banks and other third parties and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the transaction price and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.7 Government grants

Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation of the assets to which the grant relates to. The deferred element of grants included is creditors as deferred income.

2.8 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Current and deferred taxation

Tax is recognised in the Statement of Income and Retained Earnings.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2.13 Intangible assets

Intangible assets, including goodwill, are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life and are amortised on a straight line basis over the length of that life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	3	years
----------	---	---	-------

CRITERION PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Employees

The average monthly number of employees, including directors, during the year was 23 (2019 - 23).

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2020	60,000
At 31 December 2020	60,000
Amortisation	
At 1 January 2020	22,493
Charge for the year on owned assets	16,658
At 31 December 2020	39,151
Net book value	
At 31 December 2020	20,849
At 31 December 2019	37,507

CRITERION PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost						
At 1 January 2020	340,134	558,313	18,535	39,086	44,981	1,001,049
Additions	-	264,312	-	-	2,711	267,023
At 31 December 2020	340,134	822,625	18,535	39,086	47,692	1,268,072
Depreciation						
At 1 January 2020	99,612	507,214	17,349	39,086	43,868	707,129
Charge for the year on owned assets	5,901	13,647	1,186	-	469	21,203
Charge for the year on financed assets	-	30,836	-	-	-	30,836
At 31 December 2020	105,513	551,697	18,535	39,086	44,337	759,168
Net book value						
At 31 December 2020	234,621	270,928	-	-	3,355	508,904
At 31 December 2019	240,522	51,099	1,186	-	1,113	293,920

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	233,476	-

CRITERION PACKAGING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Debtors

	2020 £	2019 £
Trade debtors	276,125	228,669
Other debtors	75,132	35,649
	<u>351,257</u>	<u>264,318</u>

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	32,820	37,293
Bank loans	46,409	34,014
Trade creditors	118,134	61,697
Other taxation and social security	11,729	32,024
Obligations under finance lease and hire purchase contracts	111,068	-
Other creditors	54,606	19,849
	<u>374,766</u>	<u>184,877</u>

See note 9 for details of security.

8. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	157,382	95,333
Net obligations under finance leases and hire purchase contracts	131,157	-
Other creditors	51,250	-
	<u>339,789</u>	<u>95,333</u>

Secured loans

Included in creditors are bank loans amounting to £203,791 (2019: £129,347) on which security has been given by a fixed and floating charge over the assets of the Company.

CRITERION PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Deferred taxation

	2020 £
At beginning of year	20,327
Charged to profit or loss	24,588
At end of year	44,915

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	70,499	29,006
Tax losses carried forward	(20,511)	(8,679)
Movement in provisions	(5,073)	-
	44,915	20,327

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £28,199 (2019: £30,906).

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