

COMPANY REGISTRATION NUMBER: 01339950

**Corintech Limited**  
**Financial Statements**  
**31 December 2022**



**CLA EVELYN PARTNERS LIMITED**

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

**Corintech Limited**  
**Financial Statements**  
**Year ended 31 December 2022**

| <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 comprehensive income           | <b>9</b>    |
| Statement of financial position             | <b>10</b>   |
| Statement of changes in equity              | <b>11</b>   |
| Notes to the financial statements           | <b>12</b>   |

# **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 M Skinner  
Mr C E Saunders IV  
Mr R W Martin

### **Registered office**

Ashford Mill  
Fordingbridge  
Hampshire  
SP6 1DZ

### **Auditor**

CLA Evelyn Partners Limited  
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 2022**

The directors present their strategic report for Corintech Limited for the year ended 31 December 2022.

### **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 operating profit for the year to be very satisfactory, well-ahead of 2021, £2,859k (2021: £1,405k), before the exceptional share option charge of £548k (2021: £2,999k). Turnover increased by 62.9% compared to 2021. Gross margin, before the effects of the exceptional share option charge, decreased to 23.1% from 24.1% in 2021, which was 21.6% (2021: 8.4%) after the effects of the exceptional share option charge. Operating profit margin, before the effects of the exceptional share option charge increased to 14.6% in 2022 from 11.7% in 2021, which was 11.8% (2021: -13.3%) after the exceptional share option charge. Turnover per employee was £279,524 up from £181,970 per employee in 2021. Return on capital employed before the exceptional share option charge was 36.6% compared to 16.8% in 2021.

On 22nd March 2022 the company was sold to CIM Holdings I Corp. The company and the group to which the company now 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.

The health and economic risks associated with the Coronavirus known as Covid-19 have diminished during 2022. In 2022 risks arose in relation to the war in Ukraine and the effect that had on the worldwide supply and cost of components, with inflation increasing globally. The company took steps to mitigate this risk and profit in 2022 was not seriously affected. During 2023 the cost of component and stock availability have stabilised. The company continues to protect cash requirements through the control of working capital.

This report was approved by the board of directors on 16/01/2024 and signed on behalf of the board by:



Julian Navey (Jan 16, 2024 14:58 GMT)

Mr JJ Navey  
Director

# **Corintech Limited**

## **Directors' Report**

### **Year ended 31 December 2022**

The directors present their report and the financial statements of the company for the year ended 31 December 2022.

#### **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 M Skinner      |  |
| Mr DR Hagen       | (Appointed 22 March 2022)                      |
| Mr R W Martin     | (Appointed 6 December 2022)                    |
| Mr GCA Allen      | (Resigned 22 March 2022)                       |
| Mr T Jordan-Dench | (Resigned 5 August 2022)                       |
| MR E Kownacki     | (Served from 22 March 2022 to 6 December 2022) |

The following directors resigned after the year end:

Mr D R Hagen Jr (resigned 23 February 2023)

The following directors were appointed after the year end:

Mr C E Saunders IV (appointed 23 February 2023)

#### **Dividends**

Particulars of recommended dividends are detailed in note 13 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.

# Corintech Limited

## Directors' Report *(continued)*

**Year ended 31 December 2022**

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.

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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 16/01/2024 and signed on behalf of the board by:

  
Julian Navey (Jan 16, 2024 14:58 GMT)

Mr JJ Navey  
Director

# **Corintech Limited**

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

**Year ended 31 December 2022**

### **Opinion**

We have audited the financial statements of Corintech Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 2022 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.

### **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)**

#### **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 the 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 or the directors' report.

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

- adequate accounting records have not been kept, 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 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.

#### **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:



## **Corintech Limited**

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

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 well as these are estimates made by Management.
- 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 ensuring that revenue was recognised appropriately.
- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts.

## Corintech Limited

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

*CLA Evelyn Partners Limited*

CLA Evelyn Partners Limited (Jan 16, 2024 15:02 GMT)

Alan Waters (Senior Statutory Auditor)

For and on behalf of  
CLA Evelyn Partners Limited  
Chartered Accountants & Statutory Auditor  
4th Floor Cumberland House  
15-17 Cumberland Place  
Southampton  
Hampshire  
SO15 2BG

16/01/2024

# Corintech Limited

## Statement of Comprehensive Income

Year ended 31 December 2022

|   | Note      | 2022<br>£               | 2021<br>£                 |
|---|-----------|-------------------------|---------------------------|
| <b>Turnover</b>   | <b>4</b>  | <b>19,566,657</b>       | <b>12,010,160</b>         |
| Cost of sales   |           | <u>(15,341,824)</u>     | <u>(11,006,546)</u>       |
| <b>Gross profit</b>   |           | <b>4,224,833</b>        | <b>1,003,614</b>          |
| Distribution costs  |           | <u>(558,247)</u>        | <u>(859,719)</u>          |
| Administrative expenses   |           | <u>(1,398,665)</u>      | <u>(1,750,623)</u>        |
| Other operating income  | <b>5</b>  | <u>42,216</u>           | <u>12,685</u>             |
| <b>Operating profit/(loss)</b>  | <b>6</b>  | <b>2,310,137</b>        | <b>(1,594,043)</b>        |
| Other interest receivable and similar income                                      | <b>10</b> | <u>1,406</u>            | <u>289</u>                |
| Interest payable and similar expenses   | <b>11</b> | <u>(374)</u>            | <u>—</u>                  |
| <b>Profit/(loss) before taxation</b>  |           | <b>2,311,169</b>        | <b>(1,593,754)</b>        |
| Tax on profit/(loss)  | <b>12</b> | <u>502,909</u>          | <u>(108,740)</u>          |
| <b>Profit/(loss) for the financial year and total comprehensive income/(loss)</b> |           | <b><u>2,814,078</u></b> | <b><u>(1,702,494)</u></b> |


All the activities of the company are from continuing operations.

The notes on pages 12 to 24 form part of these financial statements

**Córintech Limited**  
**Statement of Financial Position**  
**31 December 2022**

|   | Note | 2022<br>£          | 2021<br>£          |
|---|------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |      |                    |                    |
| Intangible assets                                     | 14   | 1                  | 1                  |
| Tangible assets                                       | 15   | 224,783            | 1,405,336          |
| Investments   | 16   | 70                 | 70                 |
|   |      | <u>224,854</u>     | <u>1,405,407</u>   |
| <b>Current assets</b>                                 |      |                    |                    |
| Stocks  | 17   | 2,152,181          | 1,117,525          |
| Debtors   | 18   | 11,508,871         | 7,529,349          |
| Cash at bank and in hand                              |      | 568,803            | 790,005            |
|   |      | <u>14,229,855</u>  | <u>9,436,879</u>   |
| <b>Creditors: amounts falling due within one year</b> | 19   | <u>(6,647,450)</u> | <u>(2,390,079)</u> |
| <b>Net current assets</b>                             |      | <u>7,582,405</u>   | <u>7,046,800</u>   |
| <b>Total assets less current liabilities</b>          |      | <u>7,807,259</u>   | <u>8,452,207</u>   |
| <b>Provisions</b>                                     |      |                    |                    |
| Deferred tax  |      | –                  | (71,652)           |
| <b>Net assets</b>                                     |      | <u>7,807,259</u>   | <u>8,380,555</u>   |
| <b>Capital and reserves</b>                           |      |                    |                    |
| Called up share capital                               | 23   | 369,474            | 369,474            |
| Share premium account                                 | 24   | 237,531            | 237,531            |
| Capital redemption reserve                            | 24   | 88,898             | 88,898             |
| Capital contribution reserve                          | 24   | –                  | 2,998,873          |
| Profit and loss account                               | 24   | 7,111,356          | 4,685,779          |
| <b>Shareholders funds</b>                             |      | <u>7,807,259</u>   | <u>8,380,555</u>   |

These financial statements were approved by the board of directors and authorised for issue on 16/01/2024, and are signed on behalf of the board by:

  
 Julian Navey (Jan 16, 2024 14:58 GMT)

Mr JJ Navey  
 Director

Company registration number: 01339950

The notes on pages 12 to 24 form part of these financial statements

**Corintech Limited**  
**Statement of Changes in Equity**  
**Year ended 31 December 2022**

|   | Called up<br>share capital<br>£ | Share<br>premium<br>account<br>£ | Capital<br>redemption<br>reserve<br>£ | Capital<br>contribution<br>reserve<br>£ | Profit and<br>loss account<br>£ | Total<br>£  |
|---|---------------------------------|----------------------------------|---------------------------------------|---|---------------------------------|-------------|
| <b>At 1 January 2021</b>  | 443,372                         | 237,531                          | 15,000                                | –                                       | 7,260,273                       | 7,956,176   |
| Loss for the year   | —                               | —                                | —                                     | —                                       | (1,702,494)                     | (1,702,494) |
| <b>Total comprehensive<br/>loss for the year</b>                | –                               | –                                | –                                     | –                                       | (1,702,494)                     | (1,702,494) |
| Redemption of shares  | (73,898)                        | –                                | 73,898                                | –                                       | (872,000)                       | (872,000)   |
| Equity-settled share-<br>based payments                         | –                               | –                                | –                                     | 2,998,873                               | –                               | 2,998,873   |
| <b>Total investments by<br/>and distributions to<br/>owners</b> | (73,898)                        | –                                | 73,898                                | 2,998,873                               | (872,000)                       | 2,126,873   |
| <b>At 31 December 2021</b>                                      | 369,474                         | 237,531                          | 88,898                                | 2,998,873                               | 4,685,779                       | 8,380,555   |
| Profit for the year   | —                               | —                                | —                                     | —                                       | 2,814,078                       | 2,814,078   |
| <b>Total comprehensive<br/>income for the year</b>              | –                               | –                                | –                                     | –                                       | 2,814,078                       | 2,814,078   |
| Distribution relating to<br>group balance waiver                | –                               | –                                | –                                     | –                                       | (2,148,046)                     | (2,148,046) |
| Dividends paid and<br>payable 13                                | –                               | –                                | –                                     | –                                       | (1,788,107)                     | (1,788,107) |
| Equity-settled share-<br>based payments                         | –                               | –                                | –                                     | 548,779                                 | –                               | 548,779     |
| Transfer to profit and loss                                     | –                               | –                                | –                                     | (3,547,652)                             | 3,547,652                       | –           |
| <b>Total investments by<br/>and distributions to<br/>owners</b> | –                               | –                                | –                                     | (2,998,873)                             | (388,501)                       | (3,387,374) |
| <b>At 31 December 2022</b>                                      | 369,474                         | 237,531                          | 88,898                                | –                                       | 7,111,356                       | 7,807,259   |

The notes on pages 12 to 24 form part of these financial statements

# **Corintech Limited**

## **Notes to the Financial Statements**

### **Year ended 31 December 2022**

#### **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, Cimsense UK Limited, a company registered in England and Wales.

##### **Going concern**

Cashflow for the Company is managed on a group basis comprising the immediate parent company, Cimsense UK Limited, and all subsidiaries of the immediate parent company, including the Company. Having reviewed the forecasts for this group, 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 Cimsense UK 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 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 2022

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

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

###### Significant judgements

There are deemed to be no significant judgements affecting the Company.

###### 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 £4,968,865 (2021 - £3,299,127).

###### 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 £2,152,181 (2021 - £1,117,255).

###### 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 £224,783 (2021 - £1,405,336).

##### **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 2022

#### 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**

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.



# **Corintech Limited**

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

**Year ended 31 December 2022**

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

#### **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 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.

# Corintech Limited

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

### Year ended 31 December 2022

#### 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.

##### **Share-based payments**

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

# Corintech Limited

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

Year ended 31 December 2022

### 4. Turnover

Turnover arises from:

|                         | 2022              | 2021              |
|-------------------------|-------------------|-------------------|
|                         | £                 | £                 |
| Sale of goods           | 19,439,397        | 11,891,685        |
| Rendering of services   | 125,160           | 110,075           |
| Property sales and rent | 2,100             | 8,400             |
|                         | <u>19,566,657</u> | <u>12,010,160</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:

|                   | 2022              | 2021              |
|-------------------|-------------------|-------------------|
|                   | £                 | £                 |
| United Kingdom    | 18,274,134        | 10,154,609        |
| Europe            | 344,774           | 410,498           |
| USA               | 743,503           | 1,069,150         |
| Asia/FE           | 72,420            | 229,576           |
| Rest of the World | 131,826           | 146,327           |
|                   | <u>19,566,657</u> | <u>12,010,160</u> |

### 5. Other operating income

|                        | 2022          | 2021          |
|------------------------|---------------|---------------|
|                        | £             | £             |
| Other operating income | <u>42,216</u> | <u>12,685</u> |

### 6. Operating profit

Operating profit or loss is stated after charging/crediting:

|   | 2022           | 2021           |
|---|----------------|----------------|
|   | £              | £              |
| Depreciation of tangible assets                         | 89,850         | 137,851        |
| Gains on disposal of tangible assets                    | (51,699)       | (26,758)       |
| Impairment of trade debtors                             | —              | 80,000         |
| Exceptional equity-settled share-based payments expense | 548,779        | 2,998,873      |
| Foreign exchange differences                            | (104,390)      | 50,269         |
| Research and development expenditure written-off        | <u>400,909</u> | <u>330,616</u> |

### 7. Auditor's remuneration

|  | 2022          | 2021          |
|--|---------------|---------------|
|  | £             | £             |
| Fees payable for the audit of the financial statements | <u>19,353</u> | <u>15,015</u> |

# Corintech Limited

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

### Year ended 31 December 2022

#### 8. Staff costs

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

|                      | 2022      | 2021      |
|----------------------|-----------|-----------|
|                      | No.       | No.       |
| Production staff     | 40        | 35        |
| Distribution staff   | 9         | 8         |
| Administrative staff | 13        | 15        |
| Directors            | 6         | 8         |
|                      | <u>68</u> | <u>66</u> |

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

|                       | 2022             | 2021             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 2,709,704        | 5,018,133        |
| Social security costs | 198,159          | 163,922          |
| Other pension costs   | 170,839          | 79,254           |
|                       | <u>3,078,702</u> | <u>5,261,309</u> |

#### 9. Directors' remuneration

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

|   | 2022           | 2021           |
|---|----------------|----------------|
|   | £              | £              |
| Remuneration  | 356,289        | 362,876        |
| Company contributions to defined contribution pension plans | 106,443        | 21,104         |
| Compensation for loss of office                             | 46,500         | —              |
|   | <u>509,232</u> | <u>383,980</u> |

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

|                            | 2022     | 2021     |
|----------------------------|----------|----------|
|                            | No.      | No.      |
| Defined contribution plans | <u>6</u> | <u>6</u> |

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

|   | 2022           | 2021          |
|---|----------------|---------------|
|   | £              | £             |
| Aggregate remuneration                                      | 107,455        | 84,500        |
| Company contributions to defined contribution pension plans | 7,560          | 7,560         |
|   | <u>115,015</u> | <u>92,060</u> |

# Corintech Limited

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

Year ended 31 December 2022

### 10. Other interest receivable and similar income

|                                       | 2022         | 2021       |
|---------------------------------------|--------------|------------|
|                                       | £            | £          |
| Interest on cash and cash equivalents | 916          | 44         |
| Interest from group undertakings      | 490          | 245        |
|                                       | <u>1,406</u> | <u>289</u> |

### 11. Interest payable and similar expenses

|  | 2022       | 2021     |
|--|------------|----------|
|  | £          | £        |
| Other interest payable and similar charges | <u>374</u> | <u>—</u> |

### 12. Tax on profit/(loss)

#### Major components of tax (income)/expense

|  | 2022             | 2021           |
|--|------------------|----------------|
|  | £                | £              |
| <b>Current tax:</b>                            |                  |                |
| UK current tax expense                         | —                | 105,920        |
| Adjustments in respect of prior periods        | (105,920)        | (1,330)        |
| Total current tax                              | <u>(105,920)</u> | <u>104,590</u> |
| <b>Deferred tax:</b>                           |                  |                |
| Origination and reversal of timing differences | (396,989)        | 4,150          |
| <b>Tax on profit/(loss)</b>                    | <u>(502,909)</u> | <u>108,740</u> |

#### Reconciliation of tax (income)/expense

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

|  | 2022             | 2021               |
|--|------------------|--------------------|
|  | £                | £                  |
| Profit/(loss) on ordinary activities before taxation | <u>2,311,169</u> | <u>(1,593,754)</u> |
| Profit/(loss) on ordinary activities by rate of tax  | 429,622          | (302,695)          |
| Adjustment to tax charge in respect of prior periods | (105,920)        | (1,330)            |
| Effect of expenses not deductible for tax purposes   | —                | 584,862            |
| Fixed asset differences                              | 172,356          | 3,274              |
| Effect of revenue exempt from tax                    | —                | (5,084)            |
| Utilisation of tax losses                            | (211,414)        | —                  |
| Unused tax losses                                    | 215,415          | —                  |
| Other permanent differences                          | (917,593)        | —                  |
| Additional deduction for R & D Expenditure           | 9,902            | (81,662)           |
| Group relief claimed                                 | —                | (107,152)          |
| Adjustments to deferred tax                          | (95,277)         | 18,527             |
| <b>Tax on profit/(loss)</b>                          | <u>(502,909)</u> | <u>108,740</u>     |

# Corintech Limited

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

Year ended 31 December 2022

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

Factors that may affect future tax income

### 13. Dividends

Dividends paid during were £1,788,107(2021 - nil).

### 14. Intangible assets

|  | Intellectual<br>Rights<br>£ |
|--|-----------------------------|
| <b>Cost</b>                            |                             |
| At 1 January 2022 and 31 December 2022 | <u>1</u>                    |
| <b>Amortisation</b>                    |                             |
| At 1 January 2022 and 31 December 2022 | <u>-</u>                    |
| <b>Carrying amount</b>                 |                             |
| At 31 December 2022                    | <u>1</u>                    |
| At 31 December 2021                    | <u>1</u>                    |

### 15. Tangible assets

|                        | Freehold<br>Property<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 2022          | 1,301,141                 | 682,291                     | 304,459                       | 34,432                 | 220,707                  | 2,543,030        |
| Additions              | -                         | 34,574                      | -                             | -                      | 11,132                   | 45,706           |
| Disposals              | (1,301,141)               | -                           | (185,404)                     | -                      | -                        | (1,486,545)      |
| <b>At 31 Dec 2022</b>  | <u>-</u>                  | <u>716,865</u>              | <u>119,055</u>                | <u>34,432</u>          | <u>231,839</u>           | <u>1,102,191</u> |
| <b>Depreciation</b>    |                           |                             |                               |                        |                          |                  |
| At 1 Jan 2022          | 251,783                   | 478,160                     | 184,186                       | 15,560                 | 208,005                  | 1,137,694        |
| Charge for the year    | 2,389                     | 63,829                      | 11,291                        | 2,809                  | 9,532                    | 89,850           |
| Disposals              | (254,172)                 | -                           | (95,964)                      | -                      | -                        | (350,136)        |
| <b>At 31 Dec 2022</b>  | <u>-</u>                  | <u>541,989</u>              | <u>99,513</u>                 | <u>18,369</u>          | <u>217,537</u>           | <u>877,408</u>   |
| <b>Carrying amount</b> |                           |                             |                               |                        |                          |                  |
| At 31 Dec 2022         | <u>-</u>                  | <u>174,876</u>              | <u>19,542</u>                 | <u>16,063</u>          | <u>14,302</u>            | <u>224,783</u>   |
| At 31 Dec 2021         | <u>1,049,358</u>          | <u>204,131</u>              | <u>120,273</u>                | <u>18,872</u>          | <u>12,702</u>            | <u>1,405,336</u> |

One property included in the brought forward figures was an investment property. The market value was originally valued externally. It was brought forward at fair value determined annually by the directors. Changes in fair value are recognised in the profit or loss. At the year end, the property had been disposed of and the carrying amount was nil (2021:£330,000).

# Corintech Limited

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

### Year ended 31 December 2022

#### 16. Investments

|  | Shares in<br>group<br>undertakings<br>£ |
|--|---|
| <b>Cost</b>                            |   |
| At 1 January 2022 and 31 December 2022 | <u>70</u>                               |
| <b>Impairment</b>                      |   |
| At 1 January 2022 and 31 December 2022 | <u>–</u>                                |
| <b>Carrying amount</b>                 |   |
| At 31 December 2022                    | <u>70</u>                               |
| At 31 December 2021                    | <u>70</u>                               |

The cost and net book value of investments and subsidiary undertakings totalled £70 as at 1 January 2022 and 31 December 2022. There have been no additions or disposals to this figure during the year.

#### Subsidiaries, associates and other investments

|                                | Class of share | Percentage of<br>shares held |
|--------------------------------|----------------|------------------------------|
| <b>Subsidiary undertakings</b> |                |                              |
| 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.

#### 17. Stocks

|                                     | 2022<br>£        | 2021<br>£        |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables       | 699,141          | 481,072          |
| Work in progress                    | 333,792          | 80,981           |
| Finished goods and goods for resale | 1,119,248        | 555,472          |
|                                     | <u>2,152,181</u> | <u>1,117,525</u> |

#### 18. Debtors

|                                    | 2022<br>£         | 2021<br>£        |
|------------------------------------|-------------------|------------------|
| Trade debtors                      | 4,968,865         | 3,299,127        |
| Amounts owed by group undertakings | 6,069,089         | 4,188,979        |
| Deferred tax asset                 | 325,337           | –                |
| Prepayments and accrued income     | 103,164           | 41,118           |
| Corporation tax repayable          | 42,216            | –                |
| Other debtors                      | 200               | 125              |
|                                    | <u>11,508,871</u> | <u>7,529,349</u> |

# Corintech Limited

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

### Year ended 31 December 2022

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

|                                    | 2022             | 2021             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade creditors                    | 2,116,814        | 1,285,898        |
| Amounts owed to group undertakings | 3,616,833        | 651,495          |
| Accruals and deferred income       | 422,167          | 160,805          |
| Corporation tax                    | –                | 116,750          |
| Social security and other taxes    | 491,636          | 175,065          |
| Other creditors                    | –                | 66               |
|                                    | <u>6,647,450</u> | <u>2,390,079</u> |

#### 20. Deferred tax

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

|                               | 2022           | 2021            |
|-------------------------------|----------------|-----------------|
|                               | £              | £               |
| Included in debtors (note 18) | 325,337        | –               |
| Included in provisions        | –              | (71,652)        |
|                               | <u>325,337</u> | <u>(71,652)</u> |

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

|   | 2022             | 2021          |
|---|------------------|---------------|
|   | £                | £             |
| Deferred tax - fixed asset timing differences | 33,750           | 71,652        |
| Deferred tax - losses and other deductions    | (359,087)        | –             |
|   | <u>(325,337)</u> | <u>71,652</u> |

#### 21. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £170,839 (2021: £79,254).

At the balance sheet date, there were unpaid contributions of £77,958 (2021: £Nil). These were not yet due at 31 December 2022 and are included in accruals and deferred income.

#### 22. Share-based payments

During the year certain employees held options to subscribe for shares in Larasian Limited, the immediate parent company until 21 March 2022, at which point these vested and were exercised.

During the year 111,599 options were held by certain staff members at exercise prices between £5.69 and £11.68.



# Corintech Limited

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

### Year ended 31 December 2022

#### 22. Share-based payments *(continued)*

The total expense recognised in profit or loss for the year is as follows:

|                                     | 2022           | 2021             |
|-------------------------------------|----------------|------------------|
|                                     | £              | £                |
| Equity-settled share-based payments | <u>548,779</u> | <u>2,998,873</u> |

which was allocated as cost of sales £295,944 (2021: £1,882,093), distribution costs £87,656 (2021: £478,620) and administration costs £165,179 (2021: £638,160).

#### 23. Called up share capital

##### Authorised share capital

|                            | 2022             |                  | 2021             |                  |
|----------------------------|------------------|------------------|------------------|------------------|
|                            | 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

|                            | 2022           |                | 2021           |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | No.            | £              | No.            | £              |
| Ordinary shares of £1 each | <u>369,474</u> | <u>369,474</u> | <u>369,474</u> | <u>369,474</u> |

#### 24. 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.

**Capital contribution reserve** - This reserve records the value received in relation to the issue of share options by the parent company.

#### 25. Operating leases

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

|  | 2022           | 2021     |
|--|----------------|----------|
|  | £              | £        |
| Not later than 1 year                        | 221,600        | —        |
| Later than 1 year and not later than 5 years | <u>484,484</u> | <u>—</u> |
|  | <u>706,084</u> | <u>—</u> |

# Corintech Limited

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

### Year ended 31 December 2022

#### 26. Related party transactions

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

##### **Key Management Personnel**

During the year, services provided to the group by close family members of key management personnel £14,311 (2021 - £16,153).

During the year a director paid to the company £2,100 (2021 - £8,400) for rental of a company property.

#### 27. Controlling party

As at 31 December 2022, the ultimate holding company was CIM Holdings I Corp, a company incorporated in the US. The immediate parent is Cimsense UK Limited, a company incorporated in England and Wales. Consolidated accounts for Cimsense UK Limited, the smallest group into which this company is consolidated are publicly available from Companies House, Crown Way, Cardiff CF14 3UZ