

VR Electronics Limited
Unaudited Filleted Accounts
31 December 2021

VR Electronics Limited**Registered number:** 10172993**Balance Sheet****as at 31 December 2021**

| | Notes | 2021 £ | 2020 £ |
|---|--------------|-------------------------|-------------------------|
| Fixed assets | | | |
| Investments | 5 | 1,165,904 | 1,165,904 |
| Current assets | | | |
| Stocks | | 558,702 | 540,480 |
| Debtors | 6 | 239,535 | 439,548 |
| Cash at bank and in hand | | 40,048 | 28,595 |
| | | <u>838,285</u> | <u>1,008,623</u> |
| Creditors: amounts falling due within one year | 7 | (659,655) | (560,913) |
| Net current assets | | <u>178,630</u> | <u>447,710</u> |
| Net assets | | <u>1,344,534</u> | <u>1,613,614</u> |
| Capital and reserves | | | |
| Called up share capital | | 22,988 | 19,399 |
| Share premium | | 10,935,324 | 9,241,413 |
| Profit and loss account | | (9,613,778) | (7,647,198) |
| Shareholders' funds | | <u>1,344,534</u> | <u>1,613,614</u> |

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

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

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Ashish Solanki

Director

Approved by the board on 22 July 2022

VR Electronics Limited
Notes to the Accounts
for the year ended 31 December 2021

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Company is a small company and therefore it has not prepared consolidated accounts.

Going concern

The accounts have been prepared on a going concern basis. The company is reliant upon the support of its directors/shareholders and regular outside investments until it reaches cash flow positive.

As stated on the directors report, the company has taken steps to move the company operations from Belarus to Poland as due to war in Ukraine, the political attitude towards Belarus has rapidly hardened, in particular numerous sanctions have been levied on Belarus as well as Russia.

The directors aren't aware of any unlikely event, conditions and business risks beyond this point that may cast a significant doubt on the company's ability to continue as a going concern and as a result the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | |
|---|--------------------------|
| Fixtures, fittings, tools and equipment | 100% in year of addition |
|---|--------------------------|

Investments

Investments in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are converted at the rate of \$1=£1.30. All differences are charged to profit or loss.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

| 2 Employees | 2021 Number | 2020 Number |
|---|------------------------|------------------------|
| Average number of persons employed by the company | <u>1</u> | <u>-</u> |

3 Intangible fixed assets **£**

Goodwill:

Cost

| | |
|---------------------|----------------|
| At 1 January 2021 | 248,557 |
| At 31 December 2021 | <u>248,557</u> |

Amortisation

| | |
|---------------------|----------------|
| At 1 January 2021 | 248,557 |
| At 31 December 2021 | <u>248,557</u> |

Net book value

| | |
|---------------------|----------|
| At 31 December 2021 | <u>-</u> |
|---------------------|----------|

Goodwill represents expense incurred relating to legal and IP for the Teslasuit and it is being written off in the year of expenditure.

4 Tangible fixed assets

**Plant and
machinery
etc
£**

Cost

| | |
|---------------------|---------------|
| At 1 January 2021 | 40,302 |
| Additions | 12,609 |
| At 31 December 2021 | <u>52,911</u> |

Depreciation

| | |
|---------------------|---------------|
| At 1 January 2021 | 40,302 |
| Charge for the year | 12,609 |
| At 31 December 2021 | <u>52,911</u> |

Net book value

| | |
|---------------------|---|
| At 31 December 2021 | - |
|---------------------|---|

5 Investments

Investments in subsidiary undertakings £

Cost

At 1 January 2021 1,165,904

At 31 December 2021 1,165,904

Included in above is £401,644 investment in 100% subsidiary VRTEK, a company incorporated in Belarus whose principal activity is to carry out the development work on Teslasuit.

Included in above is £764,259 investment in 100% subsidiary VRTEK Production, a company incorporated in Belarus whose principal activity is to production of Teslasuit.

Included in above is of £1 investment in 100% dormant subsidiary Teslasuit Limited, a company incorporated in England.

6 Debtors

2021
£

2020
£

Trade debtors 239,535 439,548

7 Creditors: amounts falling due within one year

2021
£

2020
£

| | | |
|--|----------------|----------------|
| Bank loans and overdrafts | 70,318 | 53,427 |
| Amounts owed to related companies | 291,262 | 206,311 |
| Corporation tax | (200,000) | (330,472) |
| Taxes and social security costs | (1,813) | (8,467) |
| Creditors including trade, income received in advance & others | 499,888 | 640,114 |
| | <u>659,655</u> | <u>560,913</u> |

8 Related party transactions

During the year, the 100% subsidiary VRTEK, a company incorporated in Belarus whose principal activity is to carry out the development work on Teslasuit, has made a charge of £1,540,643 (2020-£1,845,461) relating to development work done on Teslasuit.

9 Other information

VR Electronics Limited is a private company limited by shares and incorporated in England. Its registered office is:

Lower Ground Floor

One George Yard

London
EC3V 9DF