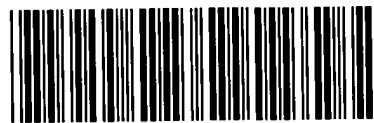


Company Registration No. 10662029 (England and Wales)

V-CARBON UK LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 MARCH 2020
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V-CARBON UK LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		90,635		47,813
Tangible assets	4		41,520		7,125
			<u>132,155</u>		<u>54,738</u>
Current assets					
Debtors	5	26,479		16,681	
Cash at bank and in hand		367		76	
		<u>26,846</u>		<u>16,757</u>	
Creditors: amounts falling due within one year	6	<u>(1,815,153)</u>		<u>(1,050,922)</u>	
Net current liabilities			<u>(1,788,307)</u>		<u>(1,034,165)</u>
Total assets less current liabilities			<u>(1,656,152)</u>		<u>(979,427)</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss reserves			<u>(1,656,153)</u>		<u>(979,428)</u>
Total equity			<u>(1,656,152)</u>		<u>(979,427)</u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of 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 and signed by the director and authorised for issue on 21 October 2020


D J Cessario
Director

V-CARBON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2020

1 Accounting policies

Company information

V-Carbon UK Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 3 Bunhill Row, London, England, EC1Y 8YZ.

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 £.

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

Going concern

At 30 March 2020 the company had net liabilities of £1,656,152 (2019: £979,427), including £1,467,637 (2019: £964,446) due to the director, who has confirmed that he will not ask for repayment unless the company can make repayment without prejudicing its ability to continue to trade.

On 8 July 2020, the company's shares were acquired by V-Carbon Holdings Limited, which became the immediate and ultimate holding company on that date. V-Carbon Holdings Limited has undertaken to provide such funding to the company as is necessary to enable it to continue to trade for a period of at least 12 months from the date on which these financial statements are approved.

Consequently the director has concluded that it remains appropriate to prepare these financial statements on a going concern basis. In reaching this conclusion, the director has had regard to the COVID-19 outbreak from the beginning of 2020 and its potential impact on the company's activities.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Patents

See note below

Patent costs have not been amortised in the current year.

V-CARBON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2020

1 Accounting policies (Continued)

Tangible fixed assets

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

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

Plant and equipment	25% reducing balance
Computers	25% reducing balance

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.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

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 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 other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

V-CARBON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2020

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2019: 1).

V-CARBON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2020

3 Intangible fixed assets

	Other £
Cost	
At 31 March 2019	47,613
Additions	43,022
At 30 March 2020	<u>90,635</u>
Carrying amount	
At 30 March 2020	<u>90,635</u>
At 30 March 2019	<u>47,613</u>

Intangible assets comprise expenditure on patents. Patents have been acquired in anticipation that they will generate future revenues and that they will be amortised from the commencement of their commercial exploitation. On this basis no amortisation was charged during the year ended 30 March 2020.

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 31 March 2019	9,500
Additions	48,235
At 30 March 2020	<u>57,735</u>
Depreciation and impairment	
At 31 March 2019	2,375
Depreciation charged in the year	13,840
At 30 March 2020	<u>16,215</u>
Carrying amount	
At 30 March 2020	<u>41,520</u>
At 30 March 2019	<u>7,125</u>

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	<u>26,479</u>	<u>16,681</u>

V-CARBON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2020

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	642	-
Trade creditors	58,569	-
Taxation and social security	4,305	3,353
Other creditors	1,751,637	1,047,569
	<u>1,815,153</u>	<u>1,050,922</u>

7 Called up share capital

	2020 £	2019 £
Ordinary share capital issued and fully paid 100 Ordinary shares of 1p each	1	1
	<u>1</u>	<u>1</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

On 8 July 2020, the whole of the company's share capital was acquired by V-Carbon Holdings Limited, a company incorporated in England and Wales.

8 Events after the reporting date

In early 2020, the existence of COVID-19 was confirmed which has since spread across a significant number of countries leading to disruption to economic activity and global economy. The Company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practical at this time to determine what impact COVID-19 will have on the Company or provide a quantitative estimate of any future impact.

9 Related party transactions

During the year the director paid business expenses of £693,767 (2019: £773,870) on behalf of the company.

At the year end the company owed the director £1,467,637 (2019: £964,446), the balance is included in creditors.

The amounts are unsecured, non-interest bearing and repayable on demand.

V-CARBON UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2020

10 Control

The ultimate controlling party at 30 March 2020 was D J Cessario by virtue of his 100% controlling interest in the share capital of the company.

On 8 July 2020, the whole of the company's share capital was acquired by V-Carbon Holdings Limited, a company registered in England and Wales.