

Registered number: 05412723

VIRTUALSTOCK HOLDINGS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2022



VIRTUALSTOCK HOLDINGS LIMITED
REGISTERED NUMBER: 05412723

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	4	246,552	246,552
		<u>246,552</u>	<u>246,552</u>
Current assets			
Debtors: amounts falling due within one year	5	15,296,816	14,411,317
Cash at bank and in hand	6	622,665	201,723
		<u>15,919,481</u>	<u>14,613,040</u>
Creditors: amounts falling due within one year	7	(446,871)	(140,000)
Net current assets		<u>15,472,610</u>	<u>14,473,040</u>
Total assets less current liabilities		<u>15,719,162</u>	<u>14,719,592</u>
Creditors: amounts falling due after more than one year	8	(1,124,075)	-
Net assets		<u><u>14,595,087</u></u>	<u><u>14,719,592</u></u>
Capital and reserves			
Called up share capital	9	1,080	1,080
Share premium account		15,189,269	15,189,269
Profit and loss account		(595,262)	(470,757)
		<u><u>14,595,087</u></u>	<u><u>14,719,592</u></u>

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 comprehensive income 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 by:

E Bradley
Director

Ed Bradley
Ed Bradley - 2022-08-01, 09:49:44 UTC

Date:

The notes on pages 3 to 9 form part of these financial statements.

VIRTUALSTOCK HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Share premium account	Convertible loan note	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	817	10,035,717	3,527,135	(394,439)	13,169,230
Interest on convertible loan note	-	-	76,318	(76,318)	-
Shares issued during the year	263	5,153,552	-	-	5,153,815
Loan notes converted during the year	-	-	(3,603,453)	-	(3,603,453)
At 1 April 2021	1,080	15,189,269	-	(470,757)	14,719,592
Comprehensive income for the year					
Loss for the year	-	-	-	(124,505)	(124,505)
At 31 March 2022	1,080	15,189,269	-	(595,262)	14,595,087

The notes on pages 3 to 9 form part of these financial statements.

VIRTUALSTOCK HOLDINGS LIMITED

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

1. General information

Virtualstock Holdings Limited is a private company limited by shares, incorporated in England and Wales. The registered office is Work.Life, 33 Kings Road, Reading, Berkshire, RG1 3AR. The company did not trade throughout the previous year.

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 presentational and functional currency is sterling and the financial statements have been rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts. These are the financial statements of the company, not the group.

2.3 Going concern

Following the COVID-19 pandemic, the directors have considered the annual budget, stressed future cash flow forecasts and other relevant information in forming their assessment of the going concern assumption. When considering stressed future forecast cash-flows, the directors have considered the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considered the effectiveness of available measures to assist in mitigating the impact of COVID-19.

The COVID-19 pandemic did not have a significant impact on the company's commercial outlook. In response to the COVID-19 pandemic, the group undertook various cost-cutting measures. Most notably, the company's subsidiary company agreed to surrender the lease on its offices in central Reading and took advantage of the government's coronavirus job retention scheme. In order to protect against any significant deterioration in market conditions, a loan was secured in the year by Virtualstock Holdings Limited which is sufficient to meet the working capital needs of the group for at least 12 months from date of approval of the financial statements

Based on these assessments and having regard to the resources available to the entity, the directors are satisfied that the going concern basis is appropriate for the preparation of these financial statements.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

VIRTUALSTOCK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)**2.5 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.6 Share based payments

Where share options in the parent company, Virtualstock Holdings Limited, are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss of Virtualstock Limited over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, Virtualstock Limited's profit or loss is charged with fair value of goods and services received.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

VIRTUALSTOCK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated 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 contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2021 - 6).

VIRTUALSTOCK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	246,552
At 31 March 2022	<u>246,552</u>
Net book value	
At 31 March 2022	<u>246,552</u>
At 31 March 2021	<u>246,552</u>

5. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	15,296,816	14,411,317
	<u>15,296,816</u>	<u>14,411,317</u>

6. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	622,665	201,723
	<u>622,665</u>	<u>201,723</u>

VIRTUALSTOCK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	406,871	-
Other loans	-	140,000
Other creditors	40,000	-
	<u>446,871</u>	<u>140,000</u>

Bank loans of £406,871 are secured against the assets of the company. The loan is also guaranteed by Virtualstock Limited, its subsidiary company.

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

	2022 £	2021 £
Bank loans	1,124,075	-
	<u>1,124,075</u>	<u>-</u>

Bank loans of £1,124,075 are secured against the assets of the company. The loan is also guaranteed by Virtualstock Limited, its subsidiary company.

9. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
10,801,134 (2021 - 10,801,134) Ordinary shares of £0.0001 each	1,080	1,080
	<u>1,080</u>	<u>1,080</u>

In 2018, the company issued 125,737 share warrants which are exercisable over a five year period at £5. The fair value of these warrants at the balance sheet date is £Nil.

VIRTUALSTOCK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Share based payments

The company has an established Employee Share Options Plan under which both Enterprise Management Incentive ("EMI"), Phantom Options and Unapproved Options have been granted to certain employees. Directors of Virtualstock Holdings Limited and Virtualstock Limited, its subsidiary company, have been granted share options. The Schemes are equity-settled share based payment arrangement whereby the employees and directors are granted share options of the company's equity instruments. Phantom Options are to be cash-settled.

The scheme includes non market-based vesting conditions only, whereby the share options may be exercised from the date that they vest only if there is an exit event. All options lapse on the 10th anniversary of the date of the grant. There are no performance based vesting conditions and the only vesting requirement is that the recipient remains in employment with the Company.

Share option activity for the year ended 31 March 2022 is presented below:

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	266	1,731,488	276	1,533,155
Granted during the year	250	87,433	250	465,000
Forfeited during the year		-	297	(266,667)
Outstanding at the end of the year	265	1,818,921	266	1,731,488

At the balance sheet date there were a total of 1,818,921 share options in issue. Of these 1,419,866 share options have met the vesting conditions applicable to them and 399,055 share options remained unvested. 137,800 Phantom Options are not included in the above table. There were no share options exercisable at the year end.

Share options granted pre 1 April 2016 have not been revalued. This is in accordance with exemptions available under FRS 102 1A.

The number of share options granted post 01 April 2016 was 1,509,549 of which 756,639 were forfeited. The fair value of the remaining 752,910 share options granted post 1 April 2016 have been estimated by applying the Black - Scholes model.

The expense arising from the share-based payment transaction in the year was £224,433 (2021: £220,736). The expense in the year is made up of the share-based payment cost of shares in issue net of forfeited options. Included within this expense is £162,767 (2021: £141,434) attributable to directors of Virtualstock Holdings Limited and Virtualstock Limited.

The directors of Virtualstock Holdings Limited consider the investment value in respect to the above to be fully impaired.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Related party transactions

Following a further advance in the year of £885,499, at the balance sheet date, the company was due £15,296,816 (2021 - £14,411,317) from Virtualstock Limited, its subsidiary company. The loan was interest free, unsecured and repayable on demand.

12. Controlling party

There was no overall controlling party.

13. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2022 was unqualified.

The audit report was signed on ~~11 August 2022~~ by Georgette Alicia Crisp BSc (Hons) FCA (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.