

TEUTECH LLC
FINANCIAL INFORMATION (IN US \$)
FOR THE YEAR ENDED MARCH 31, 2022

TEUTECH LLC

INDEX TO THE FINANCIAL INFORMATION

YEAR ENDED MARCH 31, 2022

	Page
COMPILATION ENGAGEMENT REPORT	3
FINANCIAL INFORMATION	
Balance Sheet	4
Statement of (Loss) Earnings and Deficit	5
Notes to the Financial Information	6



Chartered
Professional
Accountants

COMPILATION ENGAGEMENT REPORT

On the basis of information provided by management, we have compiled the balance sheet of Teutech LLC as at March 31, 2022 and the statement of (loss) earnings and deficit for the year then ended, and the note to the financial information, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

A handwritten signature in black ink that reads 'RLB LLP'.

Guelph, Ontario
May 27, 2022

Chartered Professional Accountants
Licensed Public Accountants

TEUTECH LLC
 BALANCE SHEET
 AS AT MARCH 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 90,566	\$ 398,174
Accounts receivable	563,072	712,973
Inventory	112,263	124,623
Prepaid expenses	41,344	36,836
	<u>807,245</u>	<u>1,272,606</u>
CAPITAL ASSETS (note 3)	<u>797,376</u>	<u>879,159</u>
	<u>\$ 1,604,621</u>	<u>\$ 2,151,765</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 63,721	\$ 29,151
Government remittances payable	78,994	97,248
Income taxes payable	22	1,147
Loan payable to related party	2,893,111	3,160,393
	<u>3,035,848</u>	<u>3,287,939</u>
SHAREHOLDER'S DEFICIT		
SHARE CAPITAL		
Issued Capital		
490 Common shares	1	1
DEFICIT	<u>(1,431,228)</u>	<u>(1,136,175)</u>
	<u>(1,431,227)</u>	<u>(1,136,174)</u>
	<u>\$ 1,604,621</u>	<u>\$ 2,151,765</u>

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TEUTECH LLC
 STATEMENT OF (LOSS) EARNINGS AND DEFICIT
 FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
REVENUE	\$ <u>2,709,629</u>	\$ <u>2,539,943</u>
COST OF SALES	<u>1,975,878</u>	<u>1,641,141</u>
GROSS PROFIT	<u>733,751</u>	<u>898,802</u>
OPERATING EXPENSES		
Amortization	108,735	111,403
Automotive	581	1,946
Employees' benefits	520,782	404,835
Interest and bank charges	1,344	1,578
Office	79,643	218,434
Salaries	<u>306,712</u>	<u>258,752</u>
	<u>1,017,797</u>	<u>996,948</u>
LOSS FROM OPERATIONS	(284,046)	(98,146)
OTHER INCOME	<u>10,476</u>	<u>85,417</u>
LOSS BEFORE INCOME TAXES	(273,570)	(12,729)
PROVISION FOR (RECOVERY OF) INCOME TAXES	<u>21,483</u>	<u>(123,853)</u>
NET (LOSS) EARNINGS for the year	(295,053)	111,124
DEFICIT, beginning of year	<u>(1,136,175)</u>	<u>(1,247,299)</u>
DEFICIT, end of year	<u><u>\$(1,431,228)</u></u>	<u><u>\$(1,136,175)</u></u>





TEUTECH LLC

NOTES TO THE FINANCIAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2022

1. NATURE OF BUSINESS

The company is incorporated under the provisions of the Ontario Business Corporations Act and is primarily involved in operating a machining, stamping and fabrication facility primarily for the automotive sector.

2. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the balance sheet of Teutech LLC as at March 31, 2022, and the income statement for the year then ended, is the historical cost basis and reflects cash transactions with the addition of:

- a) Accounts receivable which are recorded less an allowance for doubtful accounts
- b) Inventory is valued using the first-in, first-out (FIFO) method
- c) Prepaid expenses pertain to future periods
- d) Capital assets are amortized on the basis of their estimated useful life using the following methods and rates:

Equipment	- 10 % declining balance basis
Leaseholds	- 3 years straight line basis

Amortization is recorded at 50% of the above rates in the year of addition.

- e) Accounts payable and accrued liabilities which are as at the reporting date
- f) Current income taxes payable are as at the reporting date
- g) Revenue is recognized as goods are shipped and collection is reasonably assured

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2022	Net 2021
Equipment	\$ 1,287,402	\$ 490,027	\$ 797,375	\$ 878,618
Leaseholds	<u>29,500</u>	<u>29,499</u>	<u>1</u>	<u>541</u>
	<u>\$ 1,316,902</u>	<u>\$ 519,526</u>	<u>\$ 797,376</u>	<u>\$ 879,159</u>

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