

Company registration number 10850644 (England and Wales)

THELOGICALLY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JULY 2022
PAGES FOR FILING WITH REGISTRAR

THELOGICALLY LIMITED

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THELOGICALLY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JULY 2022

The director presents his annual report and financial statements for the year ended 30 July 2022.

Principal activities

The principal activity of the company continued to be that of the design of bespoke data analysing and processing software.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

L Jain

A Kumaraswamy

(Resigned 9 March 2022)

Future developments

The Directors are confident of securing funding post year end to ensure the company has sufficient resources to meet its obligations for at least 12 months from the date of these financial statements and deliver on its growth strategy.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

L Jain

Director

26 October 2022

THELOGICALLY LIMITED

BALANCE SHEET

AS AT 30 JULY 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	3	141,176	113,890
Investments	4	75	-
		<u>141,251</u>	<u>113,890</u>
Current assets			
Debtors	5	4,566,718	1,849,886
Cash at bank and in hand		7,816,739	782,330
		<u>12,383,457</u>	<u>2,632,216</u>
Creditors: amounts falling due within one year	6	<u>(2,205,150)</u>	<u>(4,249,234)</u>
Net current assets/(liabilities)		<u>10,178,307</u>	<u>(1,617,018)</u>
Net assets/(liabilities)		<u>10,319,558</u>	<u>(1,503,128)</u>
Capital and reserves			
Called up share capital	7	374,526	236,664
Share premium account		24,931,639	7,783,788
Profit and loss reserves		<u>(14,986,607)</u>	<u>(9,523,580)</u>
Total equity		<u>10,319,558</u>	<u>(1,503,128)</u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 July 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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.

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.

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 by the board of directors and authorised for issue on 26 October 2022 and are signed on its behalf by:

L Jain
Director

Company Registration No. 10850644

THELOGICALLY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JULY 2022

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 31 July 2020		188,751	3,411,248	(6,183,171)	(2,583,172)
Year ended 30 July 2021:					
Loss and total comprehensive income for the year		-	-	(3,340,409)	(3,340,409)
Issue of share capital	7	47,913	4,372,540	-	4,420,453
Balance at 30 July 2021		236,664	7,783,788	(9,523,580)	(1,503,128)
Year ended 30 July 2022:					
Loss and total comprehensive income for the year		-	-	(5,463,027)	(5,463,027)
Issue of share capital	7	137,862	17,147,851	-	17,285,713
Balance at 30 July 2022		374,526	24,931,639	(14,986,607)	10,319,558

THELOGICALLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JULY 2022

1 Accounting policies

Company information

Thelogically Limited is a private company limited by shares incorporated in England and Wales. The registered office is Brookfoot Mills, Brookfoot Industrial Estate, Brookfoot, Brighouse, HD6 2RW.

1.1 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.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future with continuing support from its members. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from contracts for the provision of professional services is recognised once the service has been provided in accordance with the service agreement.

1.4 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:

Leasehold improvements	5 years straight line basis
Fixtures and fittings	3 years straight line basis

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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

THELOGICALLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2022

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash at bank.

1.8 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 in the company's balance sheet 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 debtors and cash and bank balances, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THELOGICALLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2022

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

THELOGICALLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2022 Number	2021 Number
Total	51	32

THELOGICALLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2022

3 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 31 July 2021	315,500	102,273	417,773
Additions	22,102	108,073	130,175
	<u>337,602</u>	<u>210,346</u>	<u>547,948</u>
At 30 July 2022	337,602	210,346	547,948
Depreciation and impairment			
At 31 July 2021	252,400	51,483	303,883
Depreciation charged in the year	65,018	37,871	102,889
	<u>317,418</u>	<u>89,354</u>	<u>406,772</u>
At 30 July 2022	317,418	89,354	406,772
Carrying amount			
At 30 July 2022	20,184	120,992	141,176
	<u>63,100</u>	<u>50,790</u>	<u>113,890</u>
At 30 July 2021	63,100	50,790	113,890

4 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	75	-
	<u>75</u>	<u>-</u>

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 31 July 2021	-
Valuation changes	75
	<u>75</u>
At 30 July 2022	75
Carrying amount	
At 30 July 2022	75
	<u>-</u>
At 30 July 2021	-

THELOGICALLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2022

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	866,775	482,536
Other debtors	3,699,943	1,367,350
	<u>4,566,718</u>	<u>1,849,886</u>

6 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Convertible loans		-	2,984,553
Trade creditors		1,429,679	581,422
Taxation and social security		128,977	82,023
Other creditors		646,494	601,236
		<u>2,205,150</u>	<u>4,249,234</u>

7 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	171,914	171,914	171,914	171,914
Series A Preferred of £1 each	202,612	64,750	202,612	64,750
	<u>374,526</u>	<u>236,664</u>	<u>374,526</u>	<u>236,664</u>

During the year the company completed an investment round which resulted in 137,862 new shares being issued. As part of the investment the company reclassified its A Ordinary shares to Series A Preferred shares and converted the convertible loan note from debt to equity.

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
	<u>300,710</u>	<u>133,200</u>

THELOGICALLY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JULY 2022

9 Related party transactions

Transactions with related parties

During the year the company entered into transactions with Logically AI Inc, a US based subsidiary controlled by Thelogically Limited. During the year Thelogically Limited made recharges of £1,216,493 to Logically AI Inc for expenses incurred.

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