

# Genus Technologies Ltd

Unaudited Financial Statements

Year Ended

31 March 2022

Company Number 10170621

THURSDAY



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# Genus Technologies Ltd

Registered number:10170621

## Statement of Financial Position as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	5	750	3,391
Investments	7	-	-
		<u>750</u>	<u>3,391</u>
<b>Current assets</b>			
Debtors	7	2,586,084	2,102,684
Bank and cash balances		14,801	647,346
		<u>2,600,885</u>	<u>2,750,030</u>
Creditors: amounts falling due within one year	8	(3,923,234)	(1,999,379)
<b>Net current (liabilities)/assets</b>		<u>(1,322,349)</u>	<u>750,651</u>
<b>Net (liabilities)/assets</b>		<u><u>(1,321,599)</u></u>	<u><u>754,042</u></u>
<b>Capital and reserves</b>			
Share capital	9	642	641
Share premium account		3,749,090	3,747,930
Accumulated losses		(5,071,331)	(2,994,529)
		<u><u>(1,321,599)</u></u>	<u><u>754,042</u></u>

## Genus Technologies Ltd

Registered number:10170621

### Statement of Financial Position (continued) as at 31 March 2022

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.


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

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 profit and loss account 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:



V Jucikas  
Director

Date:

12 Dec 2022

The notes on pages 4 to 12 form part of these financial statements.

# Genus Technologies Ltd

## Statement of Changes in Equity for the year ended 31 March 2022

	Share capital £	Share premium account £	Accumulated losses £	Total equity £
At 1 April 2021	641	3,747,930	(2,994,529)	754,042
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(2,076,802)	(2,076,802)
<b>Contributions by owners</b>				
Shares issued during the year	1	1,160	-	1,161
<b>At 31 March 2022</b>	<b>642</b>	<b>3,749,090</b>	<b>(5,071,331)</b>	<b>(1,321,599)</b>

## Statement of Changes in Equity for the year ended 31 March 2021

	Share capital £	Share premium account £	Other reserves £	Accumulated losses £	Total equity £
At 1 April 2020	518	1,397,092	164,266	(2,027,450)	(465,574)
<b>Comprehensive loss for the year</b>					
Loss for the year	-	-	-	(967,079)	(967,079)
<b>Contributions by owners</b>					
Shares issued during the year	123	2,350,838	-	-	2,350,961
Investor shares to be issued	-	-	(164,266)	-	(164,266)
<b>At 31 March 2021</b>	<b>641</b>	<b>3,747,930</b>	<b>-</b>	<b>(2,994,529)</b>	<b>754,042</b>

The notes on pages 4 to 12 form part of these financial statements.

# Genus Technologies Ltd

## Notes to the Financial Statements for the year ended 31 March 2022

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### 1. General information

Genus Technologies Ltd is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company information page.

### 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company is a parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The Company is no longer affected by Covid-19. The Directors are assessing the impact of the Russia Ukraine War and the significant rise in inflation which has limited the investment in the market. Despite this impact, the Company has obtained additional investment from new and existing investors, with further fund raises expected in 2023. The Company have assessed their forecasts and believe that the going concern basis is appropriate for the foreseeable future.

# Genus Technologies Ltd

## Notes to the Financial Statements for the year ended 31 March 2022

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### 2. Accounting policies (continued)

#### 2.3 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

#### 2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive Income on a straight line basis over the lease term.

#### 2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

#### 2.6 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

# Genus Technologies Ltd

## Notes to the Financial Statements for the year ended 31 March 2022

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### 2. Accounting policies (continued)

#### 2.7 Taxation

Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

#### 2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	50%
Computer equipment	-	50%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

#### 2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.10 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.

#### 2.11 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.

#### 2.12 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.

# **Genus Technologies Ltd**

## **Notes to the Financial Statements for the year ended 31 March 2022**

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### **2. Accounting policies (continued)**

#### **2.13 Research and development**

This expenditure is written off in the period in which it is incurred, except for expenditure on related fixed assets which is written off over the expected useful life of those assets.



# Genus Technologies Ltd

## Notes to the Financial Statements for the year ended 31 March 2022

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### 2. Accounting policies (continued)

#### 2.14 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Profit and loss account.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

Derivatives, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of comprehensive income in finance costs or income as appropriate. Where the fair value cannot be determined as the equity and debt component cannot be split, the derivative's fair value is deemed to be cost. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

# Genus Technologies Ltd

## Notes to the Financial Statements for the year ended 31 March 2022

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors consider the most critical estimate and assumption for financial liabilities relates to the determination of the carrying value of the convertible loan notes at fair value through profit and loss. In determining this amount, the Company applies the overriding concept that fair value is the amount for which liability can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the financial liability drives the valuation methodology. However, the directors have also had to make the following judgements:

- The Company calculates the cost of certain share-based payments by reference to the fair value of the equity instruments granted. The fair value of the instruments granted is subject to management estimate and any changes to these estimates may have a significant effect on the share-based payment charge to the Statement of comprehensive income.
- The Company calculates the fair value convertible loan notes by calculating the discount applicable on conversion and accounting for the interest accrued up to to financial year end. The fair value loss is debited to the Statement of comprehensive income.

### 4. Employee

The average monthly number of employees, including directors, during the year was 2 (2021 - 2).

### 5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	5,027	14,189	19,216
Additions	-	1,499	1,499
At 31 March 2022	5,027	15,688	20,715
<b>Depreciation</b>			
At 1 April 2021	4,099	11,726	15,825
Charge for the year	928	3,212	4,140
At 31 March 2022	5,027	14,938	19,965
<b>Net book value</b>			
At 31 March 2022	-	750	750
At 31 March 2021	928	2,463	3,391

# Genus Technologies Ltd

## Notes to the Financial Statements for the year ended 31 March 2022

### 6. Fixed asset investments

Genus Artificial Intelligence, Inc. is a 100% subsidiary undertaking and the investment cost is less than £1.

Genus AI, UAB is a 100% subsidiary undertaking, the investment is held indirectly.

### 7. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	2,581,351	1,775,621
Other debtors	4,733	2,634
Prepayments and accrued income	-	1,872
Tax recoverable	-	322,557
	<u>2,586,084</u>	<u>2,102,684</u>

All amounts owed by group undertakings are repayable on demand and are not interest-bearing.

### 8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	52,324	18,899
Other taxation and social security	-	2,295
Other creditors	10,753	10,972
Accruals and deferred income	151,375	112,848
Convertible loan notes	3,210,942	1,854,365
SAFE Investments	497,840	-
	<u>3,923,234</u>	<u>1,999,379</u>

On the 23 June 2020, the board of directors passed a resolution enabling the Company to create up to a maximum aggregate nominal value of \$2,000,000 of unsecured convertible loan notes. The resolution was amended on 16 October 2020 to increase to maximum aggregate value to \$4,000,000. These convertible loan notes were repayable in full in 24 months and accrue interest at a rate of 8%.

### 9. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
5,141,783 (2021 - 5,130,000) Ordinary shares of £0.0001 each	514	513
1,280,000 (2021 - 1,280,000) Deferred shares of £0.0001 each	128	128
	<u>642</u>	<u>641</u>

# Genus Technologies Ltd

## Notes to the Financial Statements for the year ended 31 March 2022

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### 9. Share capital (continued)

On 21 July 2021, the Company issued 2,479 Ordinary shares at a premium of 0.2499 per share which resulted in a share premium of £619.

On 11 February 2022, the Company issued 750 Ordinary at a premium of 0.0799 per share which resulted in a premium of £60. On the same date 2,187 Ordinary shares were issued at a premium of 0.2199 per share resulting in a premium of £481.

On 2 March 2022, the Company issued 2,604 of Ordinary shares at par.

Ordinary shares have full rights in the Company with respect to voting, dividends and capital distribution.

Deferred shares do not have any rights in the Company with respect to voting and dividends. This class of share is not entitled to any distribution of the Company other than on liquidation or winding up, in which case priority will be given to these over the other classes of shares in issue.

### 10. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to the £175 (2021 - £3,903). Contributions totalling £1,017 (2021 - £1,235) were payable to the fund at the reporting date and are included in creditors.

### 11. Related party transactions

The Company has taken exemption under FRS 102 section 33.1A from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

T Jucikas provided a loan to the Company, at the year end this amounted to a balance of £946 (2021 - £946), which is included in other creditors. No interest was charged on the loan and it is repayable on demand.

V Jucikas provided a loan to the Company, at the year end this amounted to a balance of £2,485 (2021 - £2,485), which is included in other creditors. No interest was charged on the loan and it is repayable on demand.

# Genus Technologies Ltd

## Notes to the Financial Statements for the year ended 31 March 2022

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### 12. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Genus Artificial Intelligence, Inc.	Ordinary	100%	Information technology and services
Genus AI, UAB*	Ordinary	100%	Computer software development

\*Indirect holding

The registered office of Genus Artificial Intelligence, Inc. is 95 Third Street, 2nd Floor, San Francisco, CA 94103.

The registered office of Genus AI, UAB is Palangos g. 4, 01402 Vilnius, Lithuania.

### 13. Controlling party

The directors do not consider that there is a single controlling party.