

Genus Technologies Ltd

Unaudited Financial Statements

Year Ended

31 March 2021

Company Number 10170621



Genus Technologies Ltd

Registered number:10170621

Statement of Financial Position (continued) as at 31 March 2021

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.

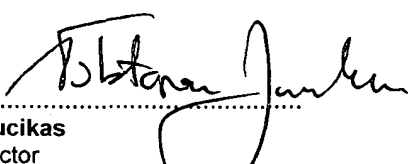
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 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:


.....
V Jucikas
Director

Date: 2021-06-30

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 2021

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 directors of the Company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the Company, its customers, employees and suppliers. The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate in the short term, however depending on the severity and length of the crisis there is a risk that the Company could require further funding or support. On this basis there is considered to be a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

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Notes to the Financial Statements for the year ended 31 March 2021

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 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.

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Notes to the Financial Statements for the year ended 31 March 2021

2. Accounting policies (continued)

2.16 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 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 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 convertible loan 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. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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Notes to the Financial Statements for the year ended 31 March 2021

7. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	1,775,621	1,195,473
Other debtors	2,634	6,985
Prepayments and accrued income	1,872	227
Tax recoverable	322,557	246,884
	<u>2,102,684</u>	<u>1,449,569</u>

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

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	18,899	262,554
Other taxation and social security	2,295	4,527
Other creditors	10,972	9,417
Accruals and deferred income	112,848	17,364
Convertible loan notes	1,854,365	2,177,273
	<u>1,999,379</u>	<u>2,471,135</u>

On 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 unsecured convertible loan notes. These will be issued as part of an investment into the Company, repayable in full in 24 months and accruing interest yearly at a rate of 8%.

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
5,133,763 (2020 - 3,900,000) Ordinary shares of £0.0001 each	513	390
1,280,000 (2020 - 1,280,000) Deferred shares of £0.0001 each	128	128
	<u>641</u>	<u>518</u>

During the year, the company issued 1,233,763 Ordinary shares with an aggregate nominal value of £0.0004, for a total consideration of £2,350,838.

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

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Notes to the Financial Statements for the year ended 31 March 2021

13. 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.

14. Controlling party

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