



Companies House
— for the record —

AP01 (ef)

Appointment of Director



X2L40L7D

Company Name: **GENOMICS ENGLAND LIMITED**

Company Number: **08493132**

Received for filing in Electronic Format on the: **14/11/2013**

New Appointment Details

Date of Appointment: **22/10/2013**

Name: **MR JONATHAN RICHARD SYMONDS**

Consented to Act: **YES**

Service Address recorded as Company's registered office

Country/State Usually Resident: **SWITZERLAND**

Date of Birth: **28/02/1959**

Nationality: **BRITISH**

Occupation: **CHIEF FINANCIAL OFFICER**

Former Names:

Authorisation

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Administrator, Administrative Receiver, Receiver, Receiver Manager, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.



Change of Particulars for Director

Company Name: **GENOMICS ENGLAND LIMITED**

Company Number: **08493132**



Received for filing in Electronic Format on the: **02/03/2020**

X8ZZBXVE

Details Prior to Change

Original name: **MR JONATHAN RICHARD SYMONDS**

Date of Birth: ****/02/1959**

New Details

Date of Change: **01/03/2020**

The usual residential address of this person has not changed

Country/State Usually Resident **UNITED KINGDOM**

Authorisation

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Administrator, Administrative Receiver, Receiver, Receiver manager, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor

Registration number: 08493132

Genomics England Limited

Annual report and financial statements

for the year ended 31 March 2019



Genomics England Limited

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Genomics England Limited

Company information

Directors	J Bell J F W Birney M J Caulfield G S Cook K E Davies S C Davies R J Kerr K Mcleod S Oldfield M J Parker D G L Prior J R Symonds A K Stewart
Company secretary	N D Maltby
Registered office	Dawson Hall Charterhouse Square London EC1M 6BQ
Auditor	Deloitte LLP London United Kingdom

Genomics England Limited

Strategic report For the year ended 31 March 2019

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Fair review of the business

Genomics England was established by the Department of Health to deliver the 100,000 Genome Project and, in partnership with Illumina Cambridge, the company established a genome-sequencing centre on the Wellcome Trust Genome Campus in Cambridge. During the year the company completed 49,126 whole genome sequences and at 31 March 2019 the company had established a data base containing 106,880 whole genome sequences from patients primarily drawn from the NHS in England.

Data from the sequencing process is combined with data from a participants medical records to create a ground-breaking resource for the investigation of the causes, diagnosis and treatment of disease. It is currently the largest national sequencing project of its kind in the world and it is anticipated that it will stimulate the growth of a strong UK genomics industry. The data is stored in the company's secure data centre. All data within the company's research environment is anonymised and the de-identified data is analysed within a secure, monitored environment.

Following the completion of the 100,000 Genome Project sequences the company focused on the development and implementation of the National Genomic Informatics Service (NGIS) which was conceived to meet the dual ambition of supporting test ordering in the NHS and to develop the genomics database. NGIS is the term used to describe the software modules that will create a single national platform, integrated with existing and new services, to:

- enable the UK Genomic Knowledge Base (developed through the 100,000 Genome Project) to continue to be populated with de-identified, consented genomic and clinical patient data;
- underpin the operation of genomic testing in the NHS Genomic Medicine Service; and
- enable Genomics England to offer access to whole genome sequencing to research cohorts and other healthcare systems.

In 2014 the Company entered into a memorandum of understanding with Queen Mary University of London for the storage of data. The university received a grant award from the Medical Research Council to build the infrastructure in order to support the 100,000 Genome Project. Genomics England Limited has first call on the use of the infrastructure free of charge during the period of the 100,000 Genome Project. Compute capacity and storage is also provided through a contract with UKCloud Limited. During the year the company decided to establish its own storage facilities in two additional locations and the installation of the hardware commenced during the year.

The company is working with industry and in 2017 created the Discovery Forum which provides a platform for collaboration and engagement with industry partners as well as academia, the NHS and the wider UK genomics landscape. Approved researchers study the data to establish how best to use genomics in healthcare and how best to interpret the data to help identify the causes, diagnosis and treatment of disease. By the end of the financial year 3,430 researchers and clinicians had formed into 42 research groups in order to improve the understanding and practice of clinical genomics.

During the year the company entered a strategic partnership with the French Médecine Génomique 2025. This followed an agreement between the UK and French governments to collaborate on a three year programme to accelerate the development of genomic informed healthcare. Each nation agreed to provide funds of £2.7million (€3.0million) to support the programme over the three year period. The company received £900,000 from the Department of Health and Social Care during the year to fund the costs it incurred in support of the programme.

Genomics England Limited

Strategic report (continued) For the year ended 31 March 2019

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that the analysis using key performance indicators ("KPIs") is not necessary for an understanding of the development, performance or position of the business.

Future developments and events after the balance sheet date

In October 2018, Matt Hancock, Secretary of State for Health and Social Care, announced the following:

- The expansion of the 100,000 Genomes Project to see **one million whole genomes** sequenced by the NHS and **UK Biobank** in five years.
- That from 2019, the NHS will offer whole genome analysis for all seriously ill children with a suspected genetic disorder, including those with cancer. The NHS will also offer the same for all adults suffering from certain rare diseases or hard to treat cancers.
- The aspiration to sequence five million genomes in the UK, within an unprecedented five-year period.

The Company expects the programmes proposed by the vision, including its role in the Genomic Medicine Service, will be the main substance of its activities over the next five years.

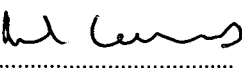
There have been no significant events affecting the Company since the year end.

Principal risks and uncertainties

The directors regularly consider the principal risks and uncertainties which the Company faces. Discussions are undertaken with particular reference to the status and primary objectives of the Company as set out in the business review above, as well as the evolution of those objectives as the field of Genomic Informatics develops over time. **The Company is wholly-owned by the Secretary of State for Health and Social Care** and is currently reliant on continued funding from the **Department of Health and Social Care (DHSC)** to undertake its activities.

The directors consider that the Information set out in the DHSC's Governance Statement within their Annual Report and Accounts, provides sufficient and relevant information on the principle risks and uncertainties faced by the Company.

Approved by the Board on 23/8/2019 and signed on its behalf by:


.....
M J Caulfield
Director

Genomics England Limited

Directors' report For the year ended 31 March 2019

The directors present their annual report on the affairs of Genomics England Limited (the "Company"), together with the audited financial statements financial statements and independent auditor's report, for the year ended 31 March 2019.

Principal activity

The principal activity of the Company is the sequencing of whole human genomes from patients with cancer or rare diseases and the construction of a database which can be used for diagnosis and for the development of new treatments.

Results and dividends

The loss for the year after taxation amounted to £82,752,059 (2018: £50,243,707). No dividends were recommended by the directors for the period ended 31 March 2019 (31 March 2018: nil).

Going concern

The Company's shareholder has approved the business plan for the Company and the level of investment required to complete its mission through to 2020. The Department of Health and Social Care have provided the Company with a letter of comfort to support this approved business plan. The directors believe that sufficient funds to maintain a positive cash flow will be made available by the shareholder. The directors have assessed the ability of the Department of Health and Social Care Ltd to provide that support and accordingly the accounts have been prepared on a going concern basis.

Directors

The directors, who served throughout the year except as noted, were as follows:

J Bell

J F W Birney

M J Caulfield

J A R Chisholm (resigned 30 January 2019)

G S Cook (appointed 25 March 2019)

K E Davies

S C Davies

M J Grant (resigned 31 October 2018)

R J Kerr

K Mcleod (appointed 12 April 2018)

J S Mattick (appointed 12 April 2018 and resigned 23 January 2019)

S Oldfield (appointed 12 April 2018)

M J Parker

D G L Prior (appointed 29 January 2019)

J R Symonds

A K Stewart

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Genomics England Limited

Directors' report (continued) For the year ended 31 March 2019

Principal risks and uncertainties

The Company is committed to reviewing the risks to the business on an ongoing basis.

Brexit

Following the decision by the UK population to exit, in due course, from the European Union ("Brexit"), the Directors have considered whether or not this will manifest itself as an additional risk to the Group. While it is difficult to predict the impact of an exit, there may be an impact on the way the Company does business. The Directors do not consider this to constitute a principal risk to the business however they will continue to monitor and assess it.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 23/8/2019 and signed on its behalf by:



.....
M J Caulfield
Director

Genomics England Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Genomics England Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Genomics England Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Genomics England Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Independent auditor's report to the members of Genomics England Limited (continued)

Matters on which we are required to report by exception

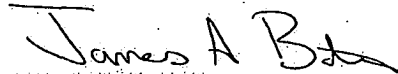
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Bates (Senior Statutory Auditor)
For and on behalf of **Deloitte LLP**
Statutory Auditor
London, United Kingdom

Date: 23/08/2019

Genomics England Limited

Profit and loss account

For the year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	2,432,258	252,000
Operating expenses	5	<u>(85,184,317)</u>	<u>(50,495,707)</u>
Loss before taxation	6	(82,752,059)	(50,243,707)
Tax on loss	10	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(82,752,059)</u>	<u>(50,243,707)</u>

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above and therefore, no statement of comprehensive income is presented.

The notes on pages 13 to 21 form an integral part of these financial statements.

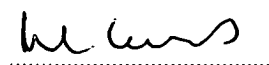
Genomics England Limited

Balance sheet As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	<u>5,742,387</u>	<u>2,334,323</u>
Current assets			
Debtors	12	8,353,855	4,571,289
Cash at bank and in hand		<u>45,187,070</u>	<u>49,571,840</u>
		<u>53,540,925</u>	<u>54,143,129</u>
Total assets		<u>59,283,312</u>	<u>56,477,452</u>
Creditors: amounts falling due within one year	13	<u>(12,160,778)</u>	<u>(9,302,859)</u>
Net current assets		<u>41,380,147</u>	<u>44,840,270</u>
Net assets		<u>47,122,534</u>	<u>47,174,593</u>
Capital and reserves			
Called-up share capital	14	240,200,001	157,500,001
Profit and loss account	14	<u>(193,077,467)</u>	<u>(110,325,408)</u>
Shareholder's funds		<u>47,122,534</u>	<u>47,174,593</u>

The financial statements of Genomics England Limited (registration number: 08493132) were approved by the Board of directors and authorised for issue on ~~23/8/2019~~ 23/8/2019

They were signed on its behalf by:



M J Caulfield
Director

The notes on pages 13 to 21 form an integral part of these financial statements.

Genomics England Limited

Statement of changes in equity For the year ended 31 March 2019

	Note	Called-up share capital £	Profit and loss account £	Total £
At 1 April 2017		82,500,001	(60,081,701)	22,418,300
Loss for the year and total comprehensive loss		-	(50,243,707)	(50,243,707)
New share capital subscribed	14	<u>75,000,000</u>	<u>-</u>	<u>75,000,000</u>
At 31 March 2018		<u>157,500,001</u>	<u>(110,325,408)</u>	<u>47,174,593</u>
At 1 April 2018		157,500,001	(110,325,408)	47,174,593
Loss for the year and total comprehensive loss		-	(82,752,059)	(82,752,059)
New share capital subscribed	14	<u>82,700,000</u>	<u>-</u>	<u>82,700,000</u>
At 31 March 2019		<u>240,200,001</u>	<u>(193,077,467)</u>	<u>47,122,534</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

Genomics England Limited

Notes to the financial statements For the year ended 31 March 2019

1 General information

The Company is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Dawson Hall
Charterhouse Square
London
EC1M 6BQ

The nature of the Company's operations and its principle activities are set out in the Strategic and Directors' reports on pages 2 to 5.

2 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 ("FRS 102") 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006.

These financial statements have been prepared under the historical cost convention except that, as disclosed in the accounting policies, certain items are shown at fair value.

Genomics England Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, presentations of cash flow statement, remuneration of key management personnel and related party transactions.

The functional currency of Genomics England Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Related parties exemption

The Company has taken advantage of the exemption available under FRS 102, Section 33.1A, not to disclose transactions with wholly-owned members of the Group.

Cash flow statement

The Company has taken advantage of the exemption granted under Financial Reporting Standards (FRS) 102 Section 7 'Cash Flow Statements' not to publish a cash flow statement. The company is wholly owned by the Secretary of State for Health and Social Care and that the Department of Health and Social Care produces consolidated financial statements which contain a cash flow statement that are publically available.

Genomics England Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

2 Accounting policies (continued)

Going concern

The Company's shareholder has approved the business plan for the Company and the level of investment required to complete its mission to 2020. The Department of Health and Social Care have provided the Company with a letter of comfort to support this approved business plan. The directors believe that sufficient funds to maintain a positive cash flow will be made available by the shareholder. The directors have assessed the ability of the Department of Health and Social Care Ltd to provide that support and accordingly the accounts have been prepared on a going concern basis.

Research and development

Research expenditure is written off as incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Depreciation rate
Furniture and fittings	3 years
IT equipment	3 years
Leasehold improvements	8-10 years

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade and other debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Genomics England Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Genomics England Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

2 Accounting policies (continued)

Tax (continued)

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Turnover

Turnover represents the fees charged for participation in a consortium which will develop a framework for researchers to acquire access, rights and obligations to the 100,000 Genome data base. The company charged for the sequencing, analysis and storage of devolved nations patient data.

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Genomics England Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There have been no critical accounting judgements, estimates or assumptions made during the year ended 31 March 2019.

4 Turnover

The analysis of the Company's turnover is as follows:

	2019 £	2018 £
Sale of services	<u>2,432,258</u>	<u>252,000</u>

The analysis of the Company's turnover by geographical market is set out below:

	2019 £	2018 £
Turnover:		
UK	2,273,924	51,750
Rest of Europe	29,167	68,500
USA	<u>129,167</u>	<u>131,750</u>
	<u>2,432,258</u>	<u>252,000</u>

5 Operating expenses

The analysis of the Company's operating expenses is as follows:

	2019 £	2018 £
Sequencing	35,971,054	22,356,186
Computing and other operating	27,901,999	11,965,845
Staff: employed (note 7)	9,895,487	6,902,519
Staff: seconded	2,507,745	2,621,192
Staff: contract	5,964,226	5,077,759
Administration	1,768,241	1,257,401
Depreciation	<u>1,175,565</u>	<u>314,805</u>
	<u>85,184,317</u>	<u>50,495,707</u>

Genomics England Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

6 Loss before taxation

Loss before taxation is stated after charging:

	2019	2018
	£	£
Depreciation expense	1,175,565	314,805
Operating leases - buildings	<u>813,404</u>	<u>494,633</u>

7 Staff costs

The average monthly number of employees (including executive directors) was:

	2019	2018
	No.	No.
Administration and support	12	9
Finance	3	2
Production	127	94
Sales	<u>3</u>	<u>2</u>
	<u>145</u>	<u>107</u>

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	8,312,835	5,854,439
Social security costs	908,756	644,149
Pension costs	<u>673,896</u>	<u>403,931</u>
	<u>9,895,487</u>	<u>6,902,519</u>

8 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>12,000</u>	<u>12,500</u>
All other non-audit services	<u>7,950</u>	<u>7,500</u>

9 Directors' remuneration

From the sixteen (2018: eleven) directors who served during the year, one director received an aggregate remuneration of £153,142 (2018: £nil). The directors were not the beneficiary of any pension schemes during the current or prior year.

Genomics England Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

10 Tax on loss

The tax charge comprises:

	2019 £	2018 £
Current taxation		
UK corporation tax	<u>-</u>	<u>-</u>
Total tax on loss	<u>-</u>	<u>-</u>

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2018: higher than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The main rate of corporation tax was reduced to 19% with effect from 1 April 2017. Further reductions to the main rate of corporation tax were announced in the Finance (No. 2) Act 2016, reducing the rate to 19% from 1 April 2017 and 18% from 1 April 2020. A reduction in the UK corporation tax rate from 18% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016 as part of Finance Act 2016.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2019 £	2018 £
Loss before tax	<u>(82,752,059)</u>	<u>(50,243,707)</u>
Tax on loss at standard UK corporation tax rate of 19% (2018: 19%)	(15,722,891)	(9,546,304)
Expenses not deductible for tax purposes	85,930	23,999
Tax loss not recognised	<u>15,636,961</u>	<u>9,522,305</u>
Tax charge/(credit) for the year	<u>-</u>	<u>-</u>

Genomics England Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

11 Tangible assets

	Furniture and fittings £	IT equipment £	Leasehold improvements £	Total £
Cost				
At 1 April 2018	57,584	2,490,003	423,691	2,971,278
Additions	<u>16,883</u>	<u>4,556,524</u>	<u>10,222</u>	<u>4,583,629</u>
At 31 March 2019	<u>74,467</u>	<u>7,046,527</u>	<u>433,913</u>	<u>7,554,907</u>
Depreciation				
At 1 April 2018	34,097	420,979	181,879	636,955
Charge for the year	<u>17,401</u>	<u>1,111,873</u>	<u>46,291</u>	<u>1,175,565</u>
At 31 March 2019	<u>51,498</u>	<u>1,532,852</u>	<u>228,170</u>	<u>1,812,520</u>
Net book value				
At 31 March 2019	<u>22,969</u>	<u>5,513,675</u>	<u>205,743</u>	<u>5,742,387</u>
At 31 March 2018	<u>23,487</u>	<u>2,069,024</u>	<u>241,812</u>	<u>2,334,323</u>

12 Debtors

	2019 £	2018 £
Other debtors	1,675,884	29,389
Amounts due from group companies	662,105	146,850
Prepayments and accrued income	1,502,538	1,218,320
VAT	<u>4,513,328</u>	<u>3,176,730</u>
	<u>8,353,855</u>	<u>4,571,289</u>

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Social security and other taxes	384,169	280,611
Amounts due to group companies	258,682	77,096
Other creditors	7,578,475	2,264,417
Accruals and deferred income	<u>3,939,452</u>	<u>6,680,735</u>
	<u>12,160,778</u>	<u>9,302,859</u>

Genomics England Limited

Notes to the financial statements (continued) For the year ended 31 March 2019

14 Called-up share capital and reserves

Allotted, called-up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	<u>240,200,001</u>	<u>240,200,001</u>	<u>157,500,001</u>	<u>157,500,001</u>

During the year the Company issued 82,700,000 (2018: 75,000,000) ordinary shares with a nominal value of £1.

The Company's other reserves are as follows:

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

15 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Within one year	<u>468,533</u>	<u>449,982</u>

16 Parent and ultimate parent undertaking

Genomics England Limited is a private limited company, wholly-owned by the Secretary of State for Health, making it the Company's ultimate controlling party.

The largest and smallest group into which the results of the Company are consolidated is Department of Health and Social Care whose principal place of business is:

Richmond House
79 Whitehall
London
SW1A 2NS

The consolidated financial statements are available from the above address.