
SKIN ANALYTICS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2022

SKIN ANALYTICS LIMITED
REGISTERED NUMBER: 07919560

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Intangible assets	4		7		7
Tangible assets	5		33,548		10,900
			<u>33,555</u>		<u>10,907</u>
CURRENT ASSETS					
Stocks		116,788		83,148	
Debtors: amounts falling due within one year	7	924,467		204,569	
Cash at bank and in hand		3,295,927		2,353,855	
		<u>4,337,182</u>		<u>2,641,572</u>	
Creditors: amounts falling due within one year	8	(767,602)		(266,566)	
NET CURRENT ASSETS			<u>3,569,580</u>		<u>2,375,006</u>
NET ASSETS			<u><u>3,603,135</u></u>		<u><u>2,385,913</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		4		3
Share premium account			10,670,954		7,170,955
Foreign exchange reserve			2,405		-
Profit and loss account			(7,070,228)		(4,785,045)
			<u><u>3,603,135</u></u>		<u><u>2,385,913</u></u>

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 consolidated 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:

N Daly
Director

Date: 25 August 2022

The notes on pages 4 to 13 form part of these financial statements.

SKIN ANALYTICS LIMITED
REGISTERED NUMBER: 07919560

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

SKIN ANALYTICS LIMITED
REGISTERED NUMBER: 07919560

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Intangible assets	4		7		7
Tangible assets	5		33,315		10,900
Investments	6		8		1
			33,330		10,908
CURRENT ASSETS					
Stocks		116,788		83,148	
Debtors: amounts falling due within one year	7	922,699		203,805	
Cash at bank and in hand		3,276,630		2,347,927	
		4,316,117		2,634,880	
Creditors: amounts falling due within one year	8	(765,790)		(257,778)	
NET CURRENT ASSETS			3,550,327		2,377,102
NET ASSETS			3,583,657		2,388,010
CAPITAL AND RESERVES					
Called up share capital	9		4		3
Share premium account			10,670,954		7,170,955
Profit and loss account			(7,087,301)		(4,782,948)
			3,583,657		2,388,010

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

N Daly

Director

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

Skin Analytics Limited is a private limited company incorporated in England and Wales. Its registered office is Salisbury House, Station Road, Cambridge, CB1 2LA. The principal place of business is 3rd and 4th floors River House, 143-145 Farrington Road, EC1R 3AB.

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 Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 GOING CONCERN

The directors have considered the Group's obligations, not only to its shareholders, but also to its employees and other creditors as a whole, and has concluded that a material uncertainty exists over the appropriateness to prepare the financial statements on a going concern basis.

In making their assessment Management have prepared detailed forecasts for the Company, and its subsidiaries, with consideration given to the current macroeconomic conditions. These forecasts show that the Group and Company will not be able to operate without the need for additional funding for a period of at least 12 months from the date of approval of the financial statements. The Company is currently in discussions with new and existing investors and the Directors believe that the most likely outcome is that the Company will raise funding which will allow the Group and Company to operate for a period of at least 12 months from the date of approval of the financial statements. However as this funding round is not yet secured there remains material uncertainty over the appropriateness to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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 profit or loss 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 Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 TURNOVER

Turnover comprises the fair value of the consideration received or receivable for the provision of AI supported dermatology solutions. Turnover is shown exclusive of Value Added Tax.

Turnover is recognised in line with the terms of the contract.

2.6 OPERATING LEASES

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.7 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.9 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.10 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.11 TAXATION

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company and the Group operate and generate income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.12 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 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:

Office equipment	-	33%	straight line
Computer equipment	-	33%	straight line

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 profit or loss.

2.14 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)**2.17 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 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.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 34 (2021 - 17).

4. INTANGIBLE ASSETS**Group and Company**

	Intellectual property £
COST	
At 1 April 2021	7
	<hr/>
At 31 March 2022	7
	<hr/>
 NET BOOK VALUE	
At 31 March 2022	7
	<hr/> <hr/>
At 31 March 2021	7
	<hr/> <hr/>

SKIN ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. TANGIBLE FIXED ASSETS

Group

	Office equipment £	Computer equipment £	Total £
COST			
At 1 April 2021	-	21,870	21,870
Additions	8,174	33,542	41,716
Disposals	-	(4,217)	(4,217)
Exchange adjustments	(178)	(27)	(205)
At 31 March 2022	7,996	51,168	59,164
DEPRECIATION			
At 1 April 2021	-	10,970	10,970
Charge for the year on owned assets	7,936	11,127	19,063
Disposals	-	(4,217)	(4,217)
Exchange adjustments	(173)	(27)	(200)
At 31 March 2022	7,763	17,853	25,616
NET BOOK VALUE			
At 31 March 2022	233	33,315	33,548
At 31 March 2021	-	10,900	10,900

SKIN ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Computer equipment £
COST	
At 1 April 2021	21,267
Additions	33,542
Disposals	(4,217)
	<hr/>
At 31 March 2022	50,592
	<hr/>
DEPRECIATION	
At 1 April 2021	10,367
Charge for the year on owned assets	11,127
Disposals	(4,217)
	<hr/>
At 31 March 2022	17,277
	<hr/>
NET BOOK VALUE	
At 31 March 2022	<hr/> <hr/> 33,315
At 31 March 2021	<hr/> <hr/> 10,900

SKIN ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 April 2021	1
Additions	7
	<hr/>
At 31 March 2022	<u>8</u>

7. DEBTORS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	496,518	31,559	496,518	31,559
Other debtors	12,835	33,689	11,067	32,925
Prepayments and accrued income	305,027	66,062	305,027	66,062
Tax recoverable	110,087	73,259	110,087	73,259
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>924,467</u>	<u>204,569</u>	<u>922,699</u>	<u>203,805</u>

SKIN ANALYTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	136,753	83,799	133,840	83,799
Amounts owed to group undertakings	-	-	4,423	-
Other taxation and social security	185,526	-	184,834	-
Other creditors	20,609	19,362	17,979	10,574
Accruals and deferred income	424,714	163,405	424,714	163,405
	<u>767,602</u>	<u>266,566</u>	<u>765,790</u>	<u>257,778</u>

Included within other creditors are amounts due to defined contribution pension schemes of £22,361 (2021: £14,742).

9. SHARE CAPITAL

	2022 £	2021 £
ALLOTTED, CALLED UP AND FULLY PAID		
22,791,691 (2021 - 12,095,619) A Ordinary shares of - £0.0000001 each	2.28	1.21
353,678 (2021 - 353,678) B Investment shares of -£0.0000001 each	0.04	0.04
19,334,889 (2021 - 12,107,319) Series A1 shares of -£0.0000001 each	1.93	1.21
2,110,050 (2021 - 1,678,978) Series A2 shares of -£0.0000001 each	0.21	0.17
	<u>4.46</u>	<u>2.63</u>

From 5 May 2021 to 30 June 2021, 7,227,570 Series A1 shares of £0.0000001 were issued at a premium of £0.457. Total consideration of £3,303,000 was received in respect of this issue and £3,302,999 has been recorded in share premium. In the same period 431,072 Series A2 shares of £0.0000001 were issued at a premium of £0.457. Total consideration of £197,000 was received in respect of this issue and £197,000 has been recorded in share premium.

From 26 November 2021 to 30 November 2021, 10,696,072 A Ordinary shares of £0.0000001 were issued at par.

An amount of £3,499,999 being the difference between the total cash proceeds and the total nominal value of £2 for the shares issued has been included in the share premium account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. SHARE OPTIONS

The Company has a share option scheme over the A Ordinary shares for certain employees. Share options are exercisable at prices determined at the date of grant. During the year 267,505 (2021: 13,689,991) options were granted, 179,444 (2021: 51,406) lapsed and 10,679,661 (2021: Nil) were cancelled. At 31 March 2022 the Company had 3,570,146 (2021: 14,161,746) outstanding options over the A Ordinary shares.

No charge has been recognised in respect of these options under FRS 102 section 26 as the value is deemed to be immaterial.

11. OTHER FINANCIAL COMMITMENTS

Total financial commitments, guarantees and contingencies that are not included in the balance sheet amount to £24,472 (2021: £17,597).

12. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 March 2022 was unqualified.

The audit report was signed on 25 August 2022 by Kelly Bretherick (Senior Statutory Auditor) on behalf of Peters Elworthy & Moore.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.