
SKIN ANALYTICS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2021

SKIN ANALYTICS LIMITED
REGISTERED NUMBER: 07919560

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	Unaudited 2020 £	Unaudited 2020 £
FIXED ASSETS					
Intangible assets			7		-
Tangible assets	5		10,900		4,344
			<u>10,907</u>		<u>4,344</u>
CURRENT ASSETS					
Stocks		83,148		-	
Debtors: amounts falling due within one year	7	204,569		146,329	
Cash at bank and in hand		2,353,855		557,558	
		<u>2,641,572</u>		<u>703,887</u>	
Creditors: amounts falling due within one year	8	(266,566)		(658,375)	
NET CURRENT ASSETS			<u>2,375,006</u>		<u>45,512</u>
NET ASSETS			<u><u>2,385,913</u></u>		<u><u>49,856</u></u>
CAPITAL AND RESERVES					
Called up share capital			3		1
Share premium account			7,170,955		2,706,424
Profit and loss account			(4,785,045)		(2,656,569)
			<u><u>2,385,913</u></u>		<u><u>49,856</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 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:

N Daly
Director

Date: 22 September 2021

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

SKIN ANALYTICS LIMITED
REGISTERED NUMBER: 07919560

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	Unaudited 2020 £	Unaudited 2020 £
FIXED ASSETS					
Intangible assets	4		7		-
Tangible assets	5		10,900		4,344
Investments	6		1		1
			10,908		4,345
CURRENT ASSETS					
Stocks		83,148		-	
Debtors: amounts falling due within one year	7	203,805		145,057	
Cash at bank and in hand		2,347,927		548,921	
		2,634,880		693,978	
Creditors: amounts falling due within one year	8	(257,778)		(655,944)	
NET CURRENT ASSETS			2,377,102		38,034
NET ASSETS			2,388,010		42,379
CAPITAL AND RESERVES					
Called up share capital	9		3		1
Share premium account			7,170,955		2,706,424
Profit and loss account			(4,782,948)		(2,664,046)
			2,388,010		42,379

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

SKIN ANALYTICS LIMITED
REGISTERED NUMBER: 07919560

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Company has opted not to file the consolidated 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:

N Daly
Director

Date: 22 September 2021

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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.

This is the first year which the Company has adopted FRS 102. No transition adjustments have been identified, as such there is no impact on equity, or profit or loss, with the comparative prior year amounts being unchanged.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account 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.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (CONTINUED)

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 it is appropriate to prepare the financial statements on a going concern basis.

As reported in Note 13, subsequent to the year end the Company secured investment of £3,500k through the issue of Series A1 and Series A2 shares. In making their assessment Management have prepared detailed forecasts for the Company, and its subsidiary, with consideration given to plausible downside scenarios arising from the ongoing impact of the COVID-19 pandemic, or its aftereffects. These forecasts show that the Group and Company will 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.

Given the liquidity of the Company at the date of signing the financial statements, together with the forecasts prepared, the directors believe that the Group is adequately placed to manage its business risks successfully and that the Group and Company will be able to continue in operational existence for the foreseeable future.

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 Profit and Loss Account 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (CONTINUED)

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 over the period 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.

2.7 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 Profit and Loss Account in the same period as the related expenditure.

2.8 INTEREST INCOME

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

2.9 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.

2.10 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 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.11 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:

Computer equipment	-	33%	straight line
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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.

2.12 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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.

2.14 DEBTORS

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

2.15 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.

2.16 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.

SKIN ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 17 (2020 - 13).

4. INTANGIBLE ASSETS

Group

	Intellectual property £
COST	
Additions	7
	<hr/>
At 31 March 2021	7
	<hr/>
NET BOOK VALUE	
At 31 March 2021	7
	<hr/>
At 31 March 2020	-
	<hr/>

Company

	Intellectual property £
COST	
Additions	7
	<hr/>
At 31 March 2021	7
	<hr/>
NET BOOK VALUE	
At 31 March 2021	7
	<hr/>
At 31 March 2020	-
	<hr/>

SKIN ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. TANGIBLE FIXED ASSETS

Group

Computer
equipment
£

COST

At 1 April 2020	11,948
Additions	9,922
At 31 March 2021	<u>21,870</u>

DEPRECIATION

At 1 April 2020	7,604
Charge for the year on owned assets	3,366
At 31 March 2021	<u>10,970</u>

NET BOOK VALUE

At 31 March 2021	<u>10,900</u>
At 31 March 2020	<u>4,344</u>

SKIN ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Computer equipment £
COST	
At 1 April 2020	11,345
Additions	9,922
	<hr/>
At 31 March 2021	21,267
	<hr/>
DEPRECIATION	
At 1 April 2020	7,001
Charge for the year on owned assets	3,366
	<hr/>
At 31 March 2021	10,367
	<hr/>
NET BOOK VALUE	
At 31 March 2021	<hr/> 10,900 <hr/>
At 31 March 2020	<hr/> 4,344 <hr/>

SKIN ANALYTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 April 2020	1
At 31 March 2021	<u>1</u>

7. DEBTORS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	31,559	36,268	31,559	35,461
Other debtors	33,689	35,636	32,925	35,171
Prepayments and accrued income	66,062	24,584	66,062	24,584
Tax recoverable	73,259	49,841	73,259	49,841
	<u>204,569</u>	<u>146,329</u>	<u>203,805</u>	<u>145,057</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	-	517,986	-	517,986
Trade creditors	83,799	57,685	83,799	57,685
Other taxation and social security	-	23,760	-	23,760
Other creditors	19,362	7,948	10,574	5,517
Accruals and deferred income	163,405	50,996	163,405	50,996
	<u>266,566</u>	<u>658,375</u>	<u>257,778</u>	<u>655,944</u>

Included within other creditors are amounts due to defined contribution pension schemes of £14,742 (2020: £5,301).

SKIN ANALYTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. SHARE CAPITAL

	2021	2020
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
12,095,619 (2020 - 12,964,006) A Ordinary shares of - £0.0000001 each	1.21	1.30
353,678 (2020 - 473,959) B Investment shares of -£0.0000001 each	0.04	0.04
12,107,319 (2020 - Nil) Series A1 shares of -£0.0000001 each	1.21	-
1,678,978 (2020 - Nil) Series A2 shares of -£0.0000001 each	0.17	-
	<u>2.63</u>	<u>1.34</u>

On 21 July 2020 5,442,546 Series A1 shares of £0.0000001 each and 578,819 Series A2 shares of £0.0000001 each were issued at a premium for £0.381 per share. On the same date a further 2,605,804 Series A1 shares of £0.0000001 each and 310,498 Series A2 shares of £0.0000001 each were issued at a premium for £0.3429 per share. Also on 21 July 2020 1,018,111 Series A1 shares of £0.0000001 each and 794,297 Series A2 shares of £0.0000001 each were issued at a premium for £0.2858 per share. In total £3,812,126 was received in respect of these issues of shares and £3,812,125 has been recorded in share premium.

On 26 August 2020 1,968,504 Series A1 shares of £0.0000001 were issued at a premium of £0.381. Total consideration of £750,000 was received in respect of this issue and £750,000 has been recorded in share premium.

On 13 November 2020 £868,387 A Ordinary shares of £0.0000001 each, 120,281 B Investment shares of £0.0000001 each and 4,636, Series A2 shares were redesignated as Series A1 shares of £0.0000001.

On 20 January 2021 79,050 Series A1 shares of £0.0000001 each were issued at a premium of £0.381. Total consideration of £30,118 was received in respect of this issue and £30,118 has been recorded in share premium. Also on the 20 January 20,000 A Ordinary shares of £0.0000001 each were redesignated as Series A1 shares of £0.0000001 each.

An amount of £4,464,531 being the difference between the total cash proceeds and the total nominal value of £2 for the shares issued, less the associated share issue expenses of £127,712, has been included in the share premium account.

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 13,689,991 (2019: 475,080) options were granted and 51,406 (2019: Nil) lapsed. At 31 March 2021 the Company had 14,161,746 (2019: 523,161) outstanding options over 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 £17,597 (2020: £69,550).

SKIN ANALYTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. POST BALANCE SHEET EVENTS

Subsequent to the year end the Company issued 7,227,570 Series A1 shares of £0.0000001 each and 431,072 Series A2 shares of £0.0000001 each with aggregate proceeds of £3,500k.

13. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 March 2021 was unqualified.

The audit report was signed on 24 September 2021 by Roberta Newman (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.