6080497.

InSkin Media Ltd

Abbreviated Accounts

31 December 2009

Rees Pollock
Chartered Accountants

COMPANY INFORMATION

Directors	P J Knight H Drayton H H Hsueh J B Shaw
Company secretary	R J McGowan
Registered office	41 Great Pulteney Street London W1F 9NZ
Accountants	Rees Pollock Chartered Accountants 35 New Bridge Street London EC4V 6BW
Company number	06080497

InSkin Media Ltd
Registered number 06080497

ABBREVIATED BALANCE SHEET
As at 31 December 2009

	Note	£	2009 £	£	As restated 2008 £
FIXED ASSETS					
Intangible fixed assets	2		221,857		184,852
Tangible fixed assets	3		31,145		11,101
			253,002		195,953
CURRENT ASSETS					
Debtors		612,436		64,972	
Cash at bank and in hand		47,774		65,915	
		660,210		130,887	
CREDITORS: amounts falling due within one year		(1,299,427)		(115,609)	
NET CURRENT (LIABILITIES)/ASSETS			(639,217)		15,278
TOTAL ASSETS LESS CURRENT LIABILITIES			(386,215)		211,231
CAPITAL AND RESERVES					
Called up share capital	4		21,154		18,846
Share premium account			1,209,860		912,168
Profit and loss account			(1,617,229)		(719,783)
SHAREHOLDERS' (DEFICIT)/FUNDS			(386,215)		211,231

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2009 and of its loss for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 were approved and authorised for issue by the board and were signed on its behalf on 26 October 2010

H Drayton
Director

The notes on pages 2 to 5 form part of these financial statements

NOTES TO THE ABBREVIATED ACCOUNTS
For the Year Ended 31 December 2009

1. ACCOUNTING POLICIES

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern

In April 2010 the Company completed another round of fund raising, issuing additional share capital for aggregate consideration of £204,000 Since April 2010 the Company has been moving towards a break even position and is forecast to do so in October 2010 at which point the business will become cash generative

It is noted that the Balance Sheet shows a net liability position as at 31 December 2009 However this balance includes a £600,000 convertible loan creditor to a major investor which is repayable only when certain events occur It is the Directors' view that these events are unlikely to occur given the upward trend in trading success and therefore believe that the underlying Balance Sheet without this loan gives a more accurate picture of the state of the Company's affairs as at 31 December 2009

In addition the Directors note that the debt factor facility which allows up to 60% of the agency trade debtor balances to be collected on date of invoice is almost entirely unutilised as at 31 December 2009 and as such provides a significant source of short term funding if required This facility is provided on a rolling basis and as such is available for as long as the Directors' deem necessary

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over a period of 4 years

Deferred development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account

As all research and development expenditure had previously been expensed in the period incurred, the capitalisation of development costs represents a change in accounting policy, adjusted for retrospectively in accordance with FRS 18 The directors are of the opinion that the company's performance is more faithfully represented by recognising such expenditure over the period during which the benefits created by it are expected to be realised

As a result of this change in accounting policy, an adjustment has been made to the prior year figures in respect of the capitalisation of £184,852 of qualifying development costs that had previously been expensed. Amortisation of £58,101 (2008 £nil) in respect of total development costs capitalised in the current and prior years has been recognised in cost of sales within profit and loss The net effect of this adjustment has therefore been to reduce cost of sales by £37,005 (2008 £184,852), and increase brought forward reserves by £184,852 (2008 £nil)

NOTES TO THE ABBREVIATED ACCOUNTS
For the Year Ended 31 December 2009

1 ACCOUNTING POLICIES (continued)

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of value added tax and trade discounts

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	20%	straight line
Fixtures & fittings	-	20%	straight line
Equipment	-	20%	straight line

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Deferred taxation

Deferred taxation is provided on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

NOTES TO THE ABBREVIATED ACCOUNTS
For the Year Ended 31 December 2009

2. INTANGIBLE FIXED ASSETS

	£
Cost	
At 1 January 2009	184,852
Additions	95,106
At 31 December 2009	279,958
Amortisation	
At 1 January 2009	-
Charge for the year	58,101
At 31 December 2009	58,101
Net book value	
At 31 December 2009	221,857
At 31 December 2008	184,852

3. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 January 2009	14,642
Additions	29,404
At 31 December 2009	44,046
Depreciation	
At 1 January 2009	3,541
Charge for the year	9,360
At 31 December 2009	12,901
Net book value	
At 31 December 2009	31,145
At 31 December 2008	11,101

NOTES TO THE ABBREVIATED ACCOUNTS
For the Year Ended 31 December 2009

4. SHARE CAPITAL

	2009 £	2008 £
Authorised		
2,000,000 (2008 - 1,500,000) A ordinary shares of 1p each	20,000	15,000
2,000,000 B ordinary shares of 1p each	20,000	20,000
	40,000	35,000
Allotted, called up and fully paid		
1,113,120 (2008 - 884,600) A ordinary shares of 1p each	11,131	8,846
1,002,266 (2008 - 1,000,000) B ordinary shares of 1p each	10,023	10,000
	21,154	18,846

The company's authorised share capital was increased to £40,000 by way of written resolution dated 29 September 2009

Between 9 February and 9 March 2009, the company issued 230,770 A ordinary shares for an aggregate consideration of £300,000

The A ordinary shares and B ordinary shares rank pari passu except that the ordinary shares have a preferential repayment of subscription monies on a repayment of capital or an exit and, in certain circumstances where there has been a breach of the investment agreement, the votes of the A ordinary shares shall constitute 75% of the total voting rights in the company