

# Diagnostics.AI Ltd

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 December 2019

Paul Winston Limited  
Chartered Accountants  
534 London Road  
Westcliff-on-Sea  
Essex  
SS0 9HS

# Diagnostics.AI Ltd

## Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Financial Statements	<u>3 to 9</u>

# **Diagnostics.AI Ltd**

## **Company Information**

**Directors** Mr Simon Bengen  
Mr Samuel Cohen  
Mr Aron Mark Cohen  
Mr Ze'ev Russak  
Professor Brian Glenville

**Registered office** 59A Brent Street  
London  
NW4 2EA

**Accountants** Paul Winston Limited  
Chartered Accountants  
534 London Road  
Westcliff-on-Sea  
Essex  
SS0 9HS

# Diagnostics.AI Ltd

(Registration number: 07090963)

## Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	674	899
Investments		354,189	354,189
		<u>354,863</u>	<u>355,088</u>
<b>Current assets</b>			
Debtors	<u>6</u>	384,991	250,298
Cash at bank and in hand		167,860	428,091
		552,851	678,389
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	(171,691)	(186,492)
<b>Net current assets</b>		<u>381,160</u>	<u>491,897</u>
<b>Net assets</b>		<u>736,023</u>	<u>846,985</u>
<b>Capital and reserves</b>			
Called up share capital		17,510	17,186
Share premium reserve		3,514,371	3,113,378
Profit and loss account		(2,795,858)	(2,283,579)
Total equity		<u>736,023</u>	<u>846,985</u>

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements 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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 5 March 2020 and signed on its behalf by:

.....

Mr Aron Mark Cohen  
Director

# **Diagnostics.AI Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:  
59A Brent Street  
London  
NW4 2EA

These financial statements were authorised for issue by the Board on 5 March 2020.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

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

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

# **Diagnostics.AI Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Office equipment	25% net book value

### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

### **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.

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or 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.

### **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.

# **Diagnostics.AI Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 1 (2018 - 1).

# Diagnostics.AI Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 4 Tangible assets

	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2019	5,010	5,010
At 31 December 2019	5,010	5,010
<b>Depreciation</b>		
At 1 January 2019	4,111	4,111
Charge for the year	225	225
At 31 December 2019	4,336	4,336
<b>Carrying amount</b>		
At 31 December 2019	674	674
At 31 December 2018	899	899

### 5 Investments

	2019 £	2018 £
Investments in subsidiaries	354,189	354,189
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 January 2019		354,189
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 December 2019		354,189
At 31 December 2018		354,189

# **Diagnostics.AI Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2019**

### **Details of undertakings**

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Azure Vault Limited	Maskit Street 27 Herzlia Israel	Ordinary shares	99.51%	99.51%

The principal activity of Azure Vault Limited is research and development

### **6 Debtors**

	Note	2019 £	2018 £
Trade debtors		16,607	68,445
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9	117,459	-
Other debtors		250,925	181,853
		<u>384,991</u>	<u>250,298</u>

### **7 Creditors**

#### **Creditors: amounts falling due within one year**

	Note	2019 £	2018 £
<b>Due within one year</b>			
Amounts owed to group undertakings and undertakings in which the company has a participating interest	9	-	49,967
Taxation and social security		1,409	4,227
Other creditors		5,009	7,512
Directors loan account		165,273	124,786
		<u>171,691</u>	<u>186,492</u>

# Diagnostics.AI Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 8 Share capital

#### Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary of £0.01 each	1,751,027	17,510.27	1,718,620	17,186.20

# Diagnostics.AI Ltd

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 9 Related party transactions

#### Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	<u>6,000</u>	<u>6,000</u>

#### Summary of transactions with subsidiaries

Azure Vault Limited

During the year Diagnostics.AI Limited invested £598,275 (2018: £412,090) into research and development through Azure Vault Ltd.

#### Loans from related parties

	Subsidiary £
<b>2019</b>	
At start of period	49,967
Repaid	<u>(167,426)</u>
At end of period	<u>(117,459)</u>
<b>2018</b>	
At start of period	183,491
Repaid	<u>(133,524)</u>
At end of period	<u>49,967</u>

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.