

Diagnostics.AI Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2021

Paul Winston Limited
Chartered Accountants
Silver Rose, Unit 21 East Lodge Village
East Lodge Lane
Enfield
EN2 8AS

Diagnostics.AI Ltd

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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 Silver Rose, Unit 21 East Lodge Village East Lodge Lane Enfield EN2 8AS

Diagnostics.AI Ltd

(Registration number: 07090963)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>4</u>	380	506
Investments	<u>5</u>	354,190	354,190
		<u>354,570</u>	<u>354,696</u>
Current assets			
Debtors	<u>6</u>	469,339	796,110
Cash at bank and in hand		<u>51,981</u>	<u>289,172</u>
		521,320	1,085,282
Creditors: Amounts falling due within one year	<u>7</u>	(585,229)	(1,642,709)
Net current liabilities		<u>(63,909)</u>	<u>(557,427)</u>
Total assets less current liabilities		290,661	(202,731)
Creditors: Amounts falling due after more than one year	<u>7</u>	(30,803)	(32,000)
Net assets/(liabilities)		<u>259,858</u>	<u>(234,731)</u>
Capital and reserves			
Called up share capital	<u>8</u>	17,591	17,591
Share premium reserve		3,614,291	3,614,291
Convertible debentures		842,844	-
Profit and loss account		<u>(4,214,868)</u>	<u>(3,866,613)</u>
Shareholders' funds/(deficit)		<u>259,858</u>	<u>(234,731)</u>

For the financial year ending 31 December 2021 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 25 May 2022 and signed on its behalf by:

Diagnostics.AI Ltd
(Registration number: 07090963)
Balance Sheet as at 31 December 2021

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Mr Aron Mark Cohen
Director

Diagnostics.AI Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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 25 May 2022.

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.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

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.

Diagnostics.AI Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

Tangible assets

Tangible assets are stated in the balance sheet 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.

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:

Asset class	Depreciation method and rate
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.

Diagnostics.AI Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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.

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 (2020 - 1).

Diagnostics.AI Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

4 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2021	5,010	5,010
At 31 December 2021	5,010	5,010
Depreciation		
At 1 January 2021	4,504	4,504
Charge for the year	126	126
At 31 December 2021	4,630	4,630
Carrying amount		
At 31 December 2021	380	380
At 31 December 2020	506	506

5 Investments

	2021 £	2020 £
Investments in subsidiaries	354,190	354,190
Subsidiaries		£
Cost or valuation		
At 1 January 2021		354,190
Provision		
Carrying amount		
At 31 December 2021		354,190
At 31 December 2020		354,190

Diagnostics.AI Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

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	
			2021	2020
Subsidiary undertakings				
Azure Vault Limited	Maskit Street 27 Herzlia Israel	Ordinary shares	99.51%	99.51%
Get Tested Ltd	England	Ordinary	100%	100%

Subsidiary undertakings

Azure Vault Limited

The principal activity of Azure Vault Limited is research and development.

Get Tested Ltd

The principal activity of Get Tested Ltd is not yet trading.

6 Debtors

	Note	2021 £	2020 £
Trade debtors		46,170	12,960
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9	235,842	237,358
Other debtors		187,327	545,792
		<u>469,339</u>	<u>796,110</u>

Diagnostics.AI Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

7 Creditors

Creditors: amounts falling due within one year

	2021	2020
Note	£	£
Due within one year		
Other loans	59,000	940,144
Trade creditors	379,216	521,740
Other creditors	17,094	15,094
Directors loan account	129,919	165,731
	<u>585,229</u>	<u>1,642,709</u>

Due after one year

Loans and borrowings	<u>30,803</u>	<u>32,000</u>
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Creditors: amounts falling due after more than one year

	2021	2020
Note	£	£
Due after one year		
Loans and borrowings	<u>30,803</u>	<u>32,000</u>

	2021	2020
	£	£
Due after more than five years		
After more than five years by instalments	30,803	32,000
After more than five years not by instalments	<u>842,844</u>	<u>421,144</u>
	<u>873,647</u>	<u>453,144</u>

Diagnostics.AI Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

8 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary of £0.01 each	1,759,123	17,591	1,759,123	17,591

Diagnostics.AI Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

9 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	3,500	6,000

Summary of transactions with all subsidiaries

Azure Vault Limited

During the year Diagnostics.AI Limited invested £316,524 (2020: £199,765) into research and development through Azure Vault Ltd.

Loans from related parties

	Subsidiary	Total
	£	£
2021		
At start of period	237,358	237,358
Advanced	(316,524)	(316,524)
Repaid	315,008	315,008
At end of period	235,842	235,842
	Subsidiary	Total
	£	£
2020		
At start of period	117,459	117,459
Advanced	(199,766)	(199,766)
Repaid	319,665	319,665
At end of period	237,358	237,358

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.