Company Registration Number 09226823

INNOVADERMA PLC

AUDITED FINANCIAL STATEMENTS FOR PERIOD ENDED 30 JUNE 2015

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INNOVADERMA PLC

CORPORATE DIRECTORY

Directors	H Chaudhry Joseph Bayer Geert Lemair Rodney Turner Clifford Giles
Company Secretary	Elemental CoSec Limited
Company registration number	09226823
Registered office	27 Old Gloucester Street London United Kingdom WC1N 3AX
Auditor	KSI (WA) Level 2 35 Outram Street West Perth WA 6005 Australia
Domicile of the company	United Kingdom
Country of incorporation	England and Wales
Legal form of entity	Public Limited Company
Marche Libre Code	MLIDP

The directors present their strategic report on InnovaDerma PLC and its controlled entities (hereafter “the Group” or “InnovaDerma”) for the period ended 30 June 2015.

Principal activity

InnovaDerma specializes in a range of male and female hair loss and anti-ageing treatments, and is aggressively growing its existing markets and expanding into new ones. In addition to a well-established customer base, brand recognition, intellectual property and a robust operating platform, it has the necessary clinical and regulatory approvals, ongoing research and development work and strategic marketing initiatives to provide it with a solid platform for rapid and sustained growth.

Review of the business, performance & position

A successful year for shareholders from start to finish, CY 2015 was a year of strong growth and expansion for the Group.

The Group acquired the Intellectual Property for Leimo in the second half of the year from PROS Korea enabling it to expand the product line through the development of new products and in setting plans for the global distribution of the core Leimo product range to multiple markets.

During the first quarter of CY 2015, the Group developed a new product line “Leimo Instant Hair” allowing it to expand its product suite for the hair loss treatment and enhancing its capability to target a wider retail market of resellers.

The Group successfully listed the Leimo Hair Growth System on the WAND database of New Zealand for the treatment of hair loss in men and women. WAND database operates under Ministry of Health in New Zealand and regulates distribution of therapeutic products throughout the country. The core product Leimo has already been approved by KFDA (Korea Food and Drugs Agency) to treat male and female hair loss and with TGA (Therapeutic Goods Administration) listing the product on its therapeutic goods database for the hair loss treatment.

More importantly InnovaDerma acquired Skinny Tan™ in Q2 2015, an all natural self-tan products brand that has seen meteoric growth in sales and retail distribution since its launch. It is of the opinion of the entire board of InnovaDerma that this acquisition is going to provide the scalability that InnovaDerma seeks in increasing its top line revenues and in acquisition of retail distribution network globally to channel the products to build that revenue base until it releases the next generation of hair loss devices in Q1 of 2016.

InnovaDerma PLC was incorporated to head the Group. It appointed three independent non executive directors with significant executive experience in executive management, compliance, legal and retail sectors to its board along with a new and highly experienced Chief Operating Officer strengthening its board and management in order to significantly grow its revenues and earnings throughout 2015.

A successful capital raising exercise through IPO Capital Partners in UK provided significant financial resources to the Group enabling it to develop and execute new marketing campaigns, add additional staff and fund its listing program on GXG Main Quote exchange in London.

All of these efforts have led to new investors and a significant increase in the product portfolio, intellectual property and enhanced revenue and earnings generation plans during the CY 2015. The company is well positioned to dramatically increase its top line revenue and profit throughout 2015.

Principal Risks and Uncertainties

The principal risks the company faces relate to a) the regulatory requirements in each country to which it exports and b) cash flow. If those regulations change, the company will need to quickly adapt its strategy to ensure compliance and facilitate continuing sales. At this stage, because Australia operates very stringent policies on all products, the company does not view this as very likely to occur, but have nonetheless recognised the potential risk.

Cashflow is another principal risk as, while the company is in its growth phase, revenues are low vs. costs. However, the company has support from its shareholders for funding and is anticipating sales growth in the coming twelve months to improve cashflow substantially.

Consideration of future developments likely to affect performance & position of the Group

As part of this ongoing expansion, the Group is focused on gaining a stronger foothold into the lucrative European and U.S. markets with the Leimo product range. Additionally the company is in negotiations to acquire a weight loss/ appetite suppressant product company and another company with all natural spray-on tanning products which has been a great success in Europe and Australia.

The Group has also been in discussions with a US based developer of complimentary products in designing, developing and distributing a new and highly effective range of hair loss products which it believes will deliver it significant new IP, revenue and earnings globally. The aim is to secure the FDA (Food and Drugs Administration) in USA during Q1 of 2016 for global launch in the same quarter.

The Group will continue to enhance its board of directors, management team and key advisors while working towards the goal of becoming a truly global personal-care company.

Environmental matters

There are no environmental issues arising from the Group’s business that might affect the future strategic direction or results of our group.

Employees

In line with *Companies Act 2006* requirements, we present the following breakdown of our employee structure:

Role	*Number of Men*	*Number of Women*
Directors	5	-
Senior Managers	2	0
Other Employees	6	15

In conjunction with our aforementioned plans to expand into the USA, it is expected that our staff will expand in the coming calendar year as revenues grow, that the Group will be better able to service our customers and partners.

By order of the board

Haris Chaudhry
Executive Chairman
3 December 2015

The Directors present their report and financial statements of the Group for the period ended 30 June 2015.

Directors

The Directors who served the Group during the period are as follows:

Mr Haris Chaudhry
Mr Joseph Bayer
Mr Rodney Turner
Mr Geert Lemair
Mr Clifford Giles (appointed 16 June 2015)

Unless otherwise disclosed, all directors were appointed at the time the company was incorporated on 19 September 2014 and have remained on the board since that time.

Company Secretary

The following served as Company Secretary during the period:

Mr Nick Lindsay, Elemental CoSec Limited, London.

Meetings of the Directors

During the period to 30 June 2015, the directors attended the following meetings of the board of directors:

	Meetings eligible to attend	Meetings attended
Haris Chaudhry	3	3
Geert Lemair	3	3
Joseph Bayer	3	3
Rodney Turner	3	3

Review of the Business

Please refer to the Strategic Report for information on the Group, its strategic direction, this year's results, and plans for the future.

Dividends

At this stage of the Group's development, no dividends have been recommended. All monies generated by the Group's operations are to be retained for the future growth and development of the Group's offerings to market.

Research and Development

The Group undertakes a variety of research activities into potential new products and new technologies that could form part of their future offerings to customers. The Group classifies all such spending as research and expenses the costs accordingly.

It is the view of the directors at this stage that the Group is unable to confirm the potential flow of benefits from new products until they arrive to market. Given that, it is not possible to capitalise these expenditures as development.

Financial Instruments

Information regarding the Group's financial risk management objectives and policies, including exposure to market, credit and liquidity risks, are presented in Note 23 to these financial statements.

Post Balance Sheet Events

The directors are not aware of any significant events since the end of the reporting period.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the consolidated group.

Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the period.

Director's Interests

At the period end date, the directors of the company had the following interests in the shares of the company, through both direct and indirect holdings:

Director	Shares acquired on incorporation	Shares acquired during the period	Shares held at appointment date	Shares disposed during the period	Shares held on 30 June 2015
Haris Chaudhry	1	6,911,649	-	(122,359)	6,789,291
Geert Lemair	1	46,666	-	Nil	46,667
Joseph Bayer	1	93,332	-	Nil	93,333
Rodney Turner	1	46,666	-	Nil	46,667
Clifford Giles	-	-	25,000	-	25,000

Remuneration Report (audited)

Policy & Practice

The Group operates on a strictly 'capital efficient' approach and therefore directors remuneration has been based on conservative market matching rates in order to act in the best interest of the company during the company's growth phase. During the current period no payments were made to directors. At this time, outside of existing shareholdings, there are no performance components included in directors remuneration. A remuneration committee was formed on 15 Jan 2015 to oversee this aspect of the Group's operations.

Contracts

Directors' remuneration in its various forms was agreed by the Executive Chairman and relevant contracts have been executed prior to the appointment.

Mr Chaudhry's contract is for a fixed term of four years, and may be terminated with sixteen weeks notice, given in writing.

All other director's contracts are for a fixed term of three years, and may be terminated with four weeks notice, given in writing.

Amount of emoluments & compensation

Period 19 September 2014 – 30 June 2015	*Salary*	*Superannuation*	*Consultancy Fees*	*Total*
Haris Chaudhry	$47,475	9.5% of Salary	Nil	**$51,985**
Geert Lemair [1]	-	-	Nil	**-**
Joseph Bayer [1]	-	-	Nil	**-**
Rodney Turner [1]	-	-	Nil	**-**
Clifford Giles [1]	-	-	Nil	**-**

[1] These directors have agreed to forego any remuneration for this period.

Following incorporation, the 2016 financial year will be the first full year of operation for InnovaDerma PLC. The following table reflects the contractually agreed salaries with all directors.

For Future Periods	*Salary*	*Superannuation*	*Consultancy Fees*	*Total*
Haris Chaudhry	$150,000	9% of Salary	Nil	**$163,500 p.a.**
Geert Lemair	$35,000	9% of Salary	Nil	**$38,150 p.a.**
Joseph Bayer	$52,440	9% of Salary	Nil	**$57,422 p.a.**
Rodney Turner	$30,000	9% of Salary	Nil	**$32,700 p.a.**
Clifford Giles	-	-	Nil	**-**

End of audited section.

Directors' responsibilities

The Directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year or period. Under that law the Directors have elected to prepare the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Directors' statement as to disclosure of information to the auditor

The Directors at the date of approval of this report confirm that:

- to the best of their knowledge and belief, there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all the steps that that might reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

On behalf of the Board

Haris Chaudhry

Executive Chairman

3 December 2015

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
FOR THE PERIOD 19 SEPTEMBER 2014 TO 30 JUNE 2015

We have audited these financial statements of InnovaDerma PLC for the period 19 September 2014 to 30 June 2015. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Director's Responsibilities Statement in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2015 and of the group's profit for the period then ended;
- the group's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Remuneration Report

We have audited the remuneration report, shown within the Directors' Report, for the period 19 September 2014 to 30 June 2015. The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 421 of the *Companies Act 2006.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit, in accordance with section 497 of the *Companies Act 2006*.

Opinion on Remuneration Report

In our opinion, the Remuneration Report complies with the requirements of section 421 of the *Companies Act 2006.*

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nicholas Hollens

Nicholas Hollens – Senior Statutory Auditor
For and on behalf of KSI (WA) – Statutory Auditors
35 Outram Street
West Perth WA 6005
Australia

Date: 3 December 2015

INNOVADERMA PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD 19 SEPTEMBER 2014 TO 30 JUNE 2015

	Note	Period from 19 September 2014 to 30 June 2015 $
Revenue	7	1,047,651
Cost of sales		(345,733)
Gross profit		701,918
Marketing expenses		(849,347)
Administrative expenses		(431,862)
Wages and salaries		(184,947)
Listing expenses		(136,056)
Operating loss		**(900,294)**
Loss before tax		**(900,294)**
Tax expense		-
Net loss for the period attributable to members of the Company		**(900,294)**
Other comprehensive income		**(7,707)**
Total comprehensive loss for the period attributable to members of the Company		**(908,001)**
Basic & diluted loss per share	25	(0.12)

INNOVADERMA PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	30 June 2015 $
Current assets		
Cash and cash equivalents	**8**	212,618
Trade and other receivables	**9**	112,142
Inventory	**10**	341,794
Other assets		69,411
Total current assets		735,965
Non-current assets		
Property, Plant and Equipment		16,509
Intangible assets	**11**	3,418,479
Other assets		3,298
Total non-current assets		3,438,286
Total assets		**4,174,251**
Current liabilities		
Trade and other payables	**12**	788,322
Borrowings	**13**	688,063
Total current liabilities		1,476,385
Total liabilities		**1,476,385**
Net assets		**2,697,866**
Equity		
Shares	**14**	2,479,468
Share premium		2,492,674
Merger reserve	**15**	(1,308,057)
Foreign exchange reserve		(7,707)
Accumulated losses	**16**	(958,512)
Total equity and reserves		**2,697,866**

These financial statements were approved and authorised for release by the Directors on 3 December 2015 and are signed on its behalf by:

Haris Chaudhry
Executive Chairman

Company Number: 09226823

INNOVADERMA PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 19 SEPTEMBER 2014 TO 30 JUNE 2015

	Ordinary Share Capital	Share Premium	Merger Reserve	Foreign Exchange Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$	$
Balance on Incorporation (19 September 2014)	**5**	**-**	**-**	**-**	**-**	**5**
Comprehensive income						
Loss for the period	-	-	-	-	(900,294)	**(900,294)**
Other comprehensive income	-	-	-	(7,707)	-	**(7,707)**
Total comprehensive income for the period	**-**	**-**	**-**	**(7,707)**	**(900,294)**	**(908,001)**
Transactions with owners, in their capacity as owners						
Share for share exchange on acquisition of the subsidiaries	1,308,157	-	(1,308,057)	-	-	**100**
Acquisition of intellectual property	91,362	2,492,674	-	-	-	**2,584,036**
Accumulated losses of subsidiaries at acquisition	-	-	-	-	(58,218)	**(58,218)**
Shares issued on exercise of convertible notes	1,391,162	-	-	-	-	**1,391,162**
Cost of shares issued	(311,218)	-	-	-	-	**(311,218)**
Total transactions with owners, in their capacity as owners	**2,479,463**	**2,492,674**	**(1,308,057)**	**-**	**(58,218)**	**3,605,862**
Balance at 30 June 2015	**2,479,468**	**2,492,674**	**(1,308,057)**	**(7,707)**	**(958,512)**	**2,697,866**

INNOVADERMA PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD 19 SEPTEMBER 2014 TO 30 JUNE 2015

	Note	Period from 19 September 2014 to 30 June 2015 $
Cash flows from operating activities		
Receipts from customers		1,000,968
Payments to suppliers and employees		(1,708,565)
Payments for corporate listing (non-repeating)		(136,056)
Net cash used by operating activities	**22**	**(843,653)**
Cash flows from investing activities		
Purchase of property, plant and equipment		(18,343)
Payments for product development		(31,922)
Net cash received on acquisition of subsidiaries		32,771
Purchase of Skinny Tan Pty Ltd		(50,000)
Net cash used by investing activities		**(67,494)**
Cash flows from financing activities		
Proceeds from borrowings		22,838
Repayments of borrowings		(106,527)
Proceeds from convertible notes	**13**	127,510
Proceeds from shares issued	**14**	1,391,162
Transaction costs for shares issued	**14**	(311,218)
Net cash from financing activities		**1,123,765**
Increase/(decrease)in cash and cash equivalents		212,618
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	**8**	**212,618**

INNOVADERMA PLC

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	30 June 2015 $
Non-current assets		
Intercompany receivable	**17**	1,157,379
Investment in subsidiaries		50,175
Intangible assets		3,892,098
Total non-current assets		5,099,652
Total assets		5,099,652
Current Liabilities		
Trade and other payables		14,363
Convertible notes		127,510
Total current liabilities		141,873
Total liabilities		141,873
Net assets		4,957,779
Equity		
Shares	**14**	2,479,468
Share premium		2,492,674
Retained earnings		(14,363)
Total equity and reserves		4,957,779

In accordance with section 408 of the UK Companies Act 2006, the company is availing itself of the exemption from presenting its individual statement of profit or loss and other comprehensive income. The company's loss for the financial period as determined in accordance with IFRS's is $14,363. The company had no cashflow in the period, and therefore no cashflow statement has been prepared.

INNOVADERMA PLC

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 19 SEPTEMBER 2014 TO 30 JUNE 2015

	Ordinary Share Capital $	Share Premium $	Retained Earnings $	Total Equity $
Opening balance on incorporation	5	-	-	**5**
Comprehensive income				
Loss for the period	-	-	(14,363)	**(14,363)**
Total comprehensive income for the period	**-**	**-**	**(14,363)**	**(14,363)**
Transactions with owners, in their capacity as owners				
Share for share exchange on acquisition of the subsidiary	1,308,157	-	-	**1,308,157**
Acquisition of intellectual property	91,362	2,492,674		**2,584,036**
Shares issued on exercise of convertible notes	1,391,162	-	-	**1,391,162**
Cost of shares issued	(311,218)	-	-	**(311,218)**
Total transactions with owners, in their capacity as owners	**2,479,463**	**2,492,674**	**-**	**4,972,137**
Balance as at 30 June 2015	**2,479,468**	**2,492,674**	**(14,363)**	**4,957,779**

1. Accounting Policies

1.1 Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The condensed consolidated financial statements are drawn up under the historical cost convention, except for the revaluation of financial assets.

IFRS, issued by the International Accounting Standards Board (IASB) set out accounting policies that the IASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the consolidated financial statements are presented below and have been consistently applied unless otherwise stated.

1.2 Going Concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

1.3 Principles of Consolidation

The condensed consolidated financial statements incorporate the assets, liabilities and results of entities controlled by InnovaDerma PLC at 30 June 2015. A controlled entity is any entity over which InnovaDerma PLC has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In preparing the condensed consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Pooling of Interests on Incorporation of Parent Entity
On 28 November 2014, InnovaDerma PLC acquired 100% of the shares of InnovaDerma AUS & NZ Pty Ltd, InnovaDerma International Limited, InnovaDerma NZ Limited, and ID Philippines, Inc. As all parties were under common control before and after the transaction, the acquisitions were scoped out of IFRS 3, and thus accounted for using the pooling of interests method.

Under this method the assets and liabilities of the acquiree are recorded at book value and intangible assets and contingent liabilities are only recognised if they were previously recognised by the acquiree. No goodwill is recorded and expenses of the combination are written off immediately in profit or loss. The difference between the consideration paid/transferred and the nominal value of the share capital in the acquired companies has been reflected as a Merger Reserve within equity.

After the acquisition, the consolidation is processed as normal, on a line by line basis for revenue, expenses, assets and liabilities.

Subsequent Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.
A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;
(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group’s cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

1.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of goods – wholesale

The group manufactures and sells a range of health and beauty products in the wholesale market. Sales of goods are recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the group has objective evidence that all criteria for acceptance have been satisfied. The life science products are often sold with volume discounts; customers have a right to return faulty products in the wholesale market. Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

Internet revenue

Revenue from the provision of the sale of goods on the internet is recognised at the point that the risks and rewards of the inventory have passed to the customer, which is the point of dispatch. Transactions are settled by credit or payment card. Provisions are made for internet credit notes based on the expected level of returns, which in turn is based upon the historical rate of returns.

1.5 Finance income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

1.6 Intangible Assets

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Once utilisation commences, trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 15 to 20 years.

Brands

Externally acquired brands, where identifiable, are capitalised as assets of the group. Brands are initially capitalised at historical cost, or attributable value, when acquired as part of a business combination.

Brands have a limited legal life, however the Group monitors global expiry dates and renews registrations where required. Brands recorded in the financial statements are not currently associated with products which are likely to become commercially or technically obsolete. Accordingly, the Directors are of the view that brands have an indefinite life.

Brands are tested annually for impairment and carried at cost less accumulated impairment charges.

1.7 Impairment

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

1.8 Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

1.9 Cash & Cash Equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges for purchases of raw materials.

1.11 Trade Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1.12 Trade Payables

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. They are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method. Current liabilities represent those amounts falling due within one year.

1.13 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable and payable. The net amount of GST recoverable from, or payable to, the ATO is included with the receivables or payables in the statement of financial position.

1.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

1.15 Income Tax

Income tax expense or benefit represents the sum of current corporation tax payable and provision for deferred income taxes.

Current income tax payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current corporation tax is calculated using tax rates and laws that have been enacted or substantively enacted at the period-end date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the statement of financial position where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the period-end date.

1.16 Post Retirement Benefits

For salaries paid (all by the Australian subsidiary):

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Superannuation – the Australian defined contribution pension scheme – is mandated by Australian law and presently set at 9.5% of gross salary payable to an employee.

The group pays contributions to publicly or privately administered pension insurance plans on a mandatory basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

1.17 Foreign Currencies

Functional and presentation currency
Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions.

Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at the reporting date. Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

1.18 Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognise directly in equity.

1.19 Segment Reporting

Operating segments were reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation or future events and are based on current trends and economic data, obtained both externally and within the Group.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policies described in Note 1.6 and Note 1.7. The recoverable amounts of cash-generating units (required to determine fair value less costs to sell) have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

1.20 New accounting standards for application in future periods

(a) New and amended standards adopted by the group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on 1 July 2014 that would be expected to have a material impact on the group.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2015, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the financial statements of the group, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories:

1) those measured as at fair value and 2) those measured at amortised cost. The determination is made at initial recognition.

The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact. The group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

2. Parent Information

Guarantees
InnovaDerma PLC has not entered into any guarantees, in the financial period, in relation of the debts of its subsidiary.

Contingent Liabilities
At 30 June 2015, InnovaDerma PLC did not have any contingent liabilities.

Contractual Commitments
At 30 June 2015, InnovaDerma PLC had not entered into any contractual commitments.

Consolidation of subsidiaries
Following the incorporation of InnovaDerma PLC, the following subsidiaries: InnovaDerma AUS and NZ Pty Ltd, InnovaDerma International Limited, InnovaDerma NZ Limited, and ID Philippines, Inc were acquired through a share for share exchange. The subsidiaries have been consolidated using the pooling of interest method on the basis that the entities being combined were ultimately controlled by the same party, both before and after the combination. Under this method the assets and liabilities of the acquiree are recorded at book values and intangible assets and contingent liabilities are only recognised if they were previously recognised by the acquiree. No goodwill is recorded and expenses of the combination are immediately written off in the profit or loss.

	Net Assets Acquired $
The carrying value of the subsidiaries' net assets at the date of combination were as follows:	
InnovaDerma AUS & NZ Pty Ltd	**(58,118)**
InnovaDerma International Limited	**-**
InnovaDerma NZ Limited	**-**
ID Philippines Inc	**-**

The shares in InnovaDerma AUS & NZ Pty Ltd, InnovaDerma International Limited, InnovaDerma NZ Limited, and ID Philippines, Inc were exchanged for 8,969,960 Ordinary Euro 0.10 shares in InnovaDerma PLC.

3. Operating segments

Operating segments must be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

As a new group, currently in its growth phase, the Board (the group's chief operating decision maker) believe that, at 30 June 2015, there was only one business segment, the hair and beauty division.

The revenue and results of this segment are those of the consolidated entity as a whole and are set out in the statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the consolidated entity and are set out in the statement of financial position.

4. Operating profit/(loss)

The following items have been included in arriving at the operating profit/(loss):

	Period from 19 September to 30 June 2015 $
Gains on foreign exchange	-
Expenses:	
Directors' remuneration	47,475
Depreciation	1,834
Auditor's remuneration	
- As auditors (for parent company and consolidation)	16,000
- As tax agents (for parent company and subsidiaries)	5,000

All remuneration payable to the auditors has been disclosed above. No other non-audit services have been provided. No benefits in kind are payable to the auditors.

Contributions to superannuation (money purchase pension schemes) are made on behalf of one director of the group.

5. Employees

	Period from 19 September to 30 June 2015
Staff costs for the Group during the period:	
Wages and salaries	184,947
	184,947

The average monthly number of staff (including executive Directors) employed by the Group during the period amounted to:

	Period from 19 September to 30 June 2015
Management staff	4
Other employees	21
	25

6. Taxation

	Period from 19 September to 30 June 2015 $
Current Tax	
Current tax on profits in the period	-
Income Tax Expense	**-**

Factors affecting current tax charge

The effective rate of tax for the period is lower than the standard rate of corporation tax in the UK of 22.5%. The differences are explained below:

	Period from 19 September 2014 to 30 June 2015 $
Profit/(Loss) before taxation	(900,294)
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 20%	(180,059)
Excluded (gain)/loss (incurred in foreign jurisdictions)	177,186
Losses carried forward	2,873
Total current tax	-

7. Revenue

	Period from 19 September 2014 to 30 June 2015 $
Haircare Products	922,113
Skin & Beauty Products	125,538
	1,047,651

8. Cash and cash equivalents

	30 June 2015 $
Cash at bank	**212,618**

Cash at bank is included as cash and cash equivalents in connection with the statement of cash flows.

When in overdraft, this balance is included in trade and other payables.

9. Trade and other receivables

	30 June 2015 $
Trade Receivables	**112,142**

10. Inventory

	30 June 2015 $
Finished goods (Leimo)	248,532
Finished goods (Stop and Pose)	10,886
Finished goods (Skinny Tan)	82,376
	341,794

11. Intangible Assets

	30 June 2015 $
Brands (Skinny Tan)	444,202
Brands (Leimo)	2,794,024
Brands (Stop & Pose)	148,331
Development Costs	31,922
	3,418,479

12. Trade and other payables

	30 June 2015 $
Trade payables	687,608
Other payables	100,714
Deferred income	-
	788,322

13. Borrowings

	30 June 2015 $
General Borrowings	560,553
Convertible Notes	127,510
	688,063

Convertibles

During the period to 30 June 2015, the Group issued convertible notes worth a total of $127,510. The bonds mature two years from the issue date (29 May 2015) at their nominal value, or can be converted into shares at the holder's option at any point between the date of the group's public listing and the maturity date. If exercised, the number of shares issued will be calculated based on the group's share price at the exercise date.

Given the number of shares issued is variable, depending on the share price at that time, governing accounting standards categorise the entire convertible note as a liability, with no equity component. Upon conversion, the borrowings balance will be cleared and a corresponding balance of the same value will be created in equity.

14. Contributed equity

	30 June 2015 No. of shares	30 June 2015 $
Shares issued on incorporation	4	5
Share for share exchange to acquire subsidiaries [1]	8,969,960	1,308,157
Shares issued to complete brand acquisition	626,400	91,362
Share split (original incorporation shares)	36	-
Shares issued on exercise of convertible notes	613,520	1,391,162
Share issue costs	-	(311,218)
	10,209,920	**2,479,468**

[1] The subsidiaries acquired were InnovaDerma AUS & NZ Pty Ltd, InnovaDerma International Limited, InnovaDerma NZ Limited, and ID Philippines Inc.

The holder of the ordinary shares is entitled to one vote per share at any meeting of the Company whether in person or by proxy. The holder is entitled to receive dividends declared from available profits and to the surplus of assets on a winding up.

15. Merger reserve

InnovaDerma PLC acquired 100% of the share capital of InnovaDerma AUS & NZ Pty Ltd, InnovaDerma International Limited, InnovaDerma NZ Limited, and ID Philippines, Inc, on 28 November 2014.

These transactions are noted as being completed under common control – all companies involved in the deal were controlled by Mr Haris Chaudhry before and after the transaction was processed.

This condition falls under a scope exemption for IFRS 3. Per IAS 8.12, the company may, in this circumstance, utilise pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards.

As a UK company, the directors decided to apply UK Generally Accepted Accounting Principles, which make provision for Pooling of Interests in a common control situation, also commonly referred to as Merger Accounting.

In this circumstance, the difference between the consideration transferred and the nominal value of share capital acquired is taken to equity, creating a Merger Reserve.

28 November 2014 Acquisitions:

	$
Consideration transferred (8,969,960 shares)	1,308,157
Value of share capital acquired	(100)
Value of Merger Reserve	**1,308,057**

16. Accumulated losses

	30 June 2015 $
Acquisition of subsidiaries (pooling of interests)	(58,218)
Loss for the period	(900,294)
Balance carried forward	**(958,512)**

17. Intercompany loan – parent company

	30 June 2015 $
Balance brought forward	-
Funds advanced	1,157,379
Balance carried forward	**1,157,379**

18. Investment in subsidiaries

During the year, the Company acquired interests in the following subsidiaries:

Company Name	*Date of Acquisition*	*Percentage Holding (30 June 2015)*
InnovaDerma AUS & NZ Pty Ltd [1]	28 November 2014	100%
InnovaDerma International Limited [1]	28 November 2014	100%
InnovaDerma NZ Limited [1]	28 November 2014	100%
ID Philippines Inc [1]	28 November 2014	100%
Bach Health Pty Ltd	23 January 2015	100%
InnovaScience Inc	31 March 2015	100%
Skinny Tan Pty Ltd	28 May 2015	100%
Skinny Tan UK Limited	28 May 2015	100%

[1] Please see notes 1.3 and 15 for further detail on the method of accounting applied for the acquisitions.

The results of these subsidiaries have been consolidated on a line by line basis into the consolidated financial statements.

19. Business Combination

On 28 May 2015, the Group acquired 100% of the share capital of Skinny Tan Pty Ltd, in exchange for cash consideration of $50,075. The acquisition expands the range of products the Group can offer in the hair and beauty sector and is anticipated to facilitate scalability in the Group's offerings for the coming financial year, as expansion continues into new markets.

The following table shows the allocation of consideration paid for Skinny Tan Pty Ltd, the fair value of assets acquired, liabilities assumed, and the non-controlling interest at the acquisition date.

Consideration	
Cash Consideration	50,075
Total Consideration	**50,075**
Recognised fair value of assets acquired and liabilities assumed	
Accounts receivable	5,444
Inventory	72,023
Other assets	16,299
Brand	431,515
Intellectual property	12,687
Trade and other payables	(240,373)
Borrowings	(247,520)
Total fair value of assets acquired and liabilities assumed	**50,075**

20. Related party transactions

Name	Transaction	Amount received from / (paid to) in year	Amount due from/(to) related party
		2015	**2015**
		$	**$**
Farris Marketing Concepts Pty Ltd	Loan payable[1]	151,495	(151,495)
Farris Marketing Concepts Pty Ltd	Acquisition of Stop & Pose Brand	(200,000)	-
Zaymar Investments	Loan payable[1]	60,000	(60,000)
Mr Haris Chaudhry	Loan payable[1]	173,757	(173,757)

[1] These loans are interest free and unsecured.

Common control acquisition of subsidiaries

As more fully discussed in Note 15, InnovaDerma PLC acquired several subsidiaries via a share for share exchange. These subsidiaries were majority controlled by Mr Haris Chaudhry, a director of InnovaDerma PLC; hence, the majority of shares issued for the acquisition were issued to Mr Chaudhry.

Nature of related parties

Farris Marketing Concepts Pty Ltd and Zaymar Investments are related parties of Mr Haris Chaudhry, the Executive Chairman.

Key Management Personnel

All transactions with key management personnel (the directors) during the period 19 September 2014 to 30 June 2015 are disclosed below:

	Salary	*Superannuation*	*Consultancy Fees*	*Total*
Haris Chaudhry [1]	47,475	4,510	-	51,985

[1] – Haris Chaudhry employment terms, as formalised by board resolution, specify a salary of $150,000 per year. During the period 19 September 2014 to 30 June 2015, only $47,475 was paid. For the year commencing 1 July 2015, full director's fees will be paid to all directors.

During the period, there were no advances, credits or guarantees subsisting on behalf of the directors.

21. Commitments and contingencies

At 30 June 2015 the Group did not have any contingencies.

At 30 June 2015 the Group had no obligations under non-cancellable finance leases.

22. Reconciliation of operating profit to net cash outflow from operations

	Period from 19 September to 30 June 2015 $
Operating loss	(900,294)
Depreciation	1,834
(Increase) in trade and other receivables	(46,683)
(Increase) in inventory	(203,891)
(Increase) in other assets	(71,082)
(Increase) in trade and other payables	376,463
Net cash outflow from operations	**(843,653)**

23. Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable & loans from related parties.

The Group's financial instruments at 30 June 2015 were classified as follows:

	Note	30 June 2015 $
Financial assets		
Cash and cash equivalents	8	212,618
Trade and other receivables	9	112,412
Total financial assets		**325,030**
Financial liabilities		
Trade and other payables	12	788,322
Borrowings	13	688,063
		1,476,385

Fair value versus carrying amounts

All items shown in the preceding table as either financial assets or financial liabilities are short term instruments whose carrying value is equivalent to the fair value. There is not considered to be a material difference between the fair value and the carrying value.

Specific Financial Risk Exposures and Management

The Group's activities expose it to a number of financial risks that include market risk, credit risk and liquidity risk.

(a) Market Risk

i) Foreign exchange risk

The Group's does not hold any material financial assets denominated in a foreign currency at the period end, hence it is not exposed to foreign exchange risk.

ii) Interest rate risk

The Group had interest-bearing liabilities during the period, but is not exposed to interest rate risk because the interest rates on their liabilities are set by private agreement, not by reference to market rates. The group does not have any liabilities to financial institutions as at 30 June 2015. As such, sensitivity analysis with regard to movements in interest rates would not be meaningful.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance of counter-parties of contract obligations that could lead to financial losses to the group.

Credit risk exposures

The Group had no significant concentrations of credit risk.

(c) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through careful cash management policies. In order to meet its short term obligations, the group has the support of several key shareholders who are willing to provide funds to the group on an as-needed basis.

For loans receivable and payable, please refer to Note 9 – Trade and Other Receivables, Note 12 – Trade and Other Payables & Note 13 - Borrowings. Loans are unsecured and have no fixed repayment date.

24. Share Based Payments

No share options have been granted to employees or directors.

25. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

The following reflects earnings and share data used in the earnings per share calculation.

	Period from 19 September to 30 June 2015 $
Loss for the year	(900,294)
Weighted average number of shares	7,449,281

As the Group has made a loss for the year ended 30 June 2015, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

26. Subsequent Events

The directors are not aware of any significant events since the end of the reporting period.

27. Company Details

The registered office of InnovaDerma PLC is:

27 Old Gloucester Street
London
United Kingdom
WC1N 3AX

The principal place of business is:

Level 17, 31 Queen Street
Melbourne VIC 3000
Australia