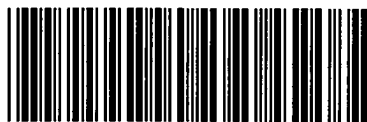


Company Registration No. 07016688 (England and Wales)

EPIMORPHICS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2022
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EPIMORPHICS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	6		543,167		321,777
Tangible assets	7		2,942		3,988
			<u>546,109</u>		<u>325,765</u>
Current assets					
Stocks		-		21,281	
Debtors	8	34,239		153,930	
Cash at bank and in hand		405,850		640,893	
		<u>440,089</u>		<u>816,104</u>	
Creditors: amounts falling due within one year	9	(107,529)		(130,266)	
Net current assets			<u>332,560</u>		<u>685,838</u>
Total assets less current liabilities			<u>878,669</u>		<u>1,011,603</u>
Capital and reserves					
Called up share capital	10		8,021		8,704
Share premium account			142,238		142,238
Capital redemption reserve			1,980		1,297
Profit and loss reserves			726,430		859,364
Total equity			<u>878,669</u>		<u>1,011,603</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 September 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

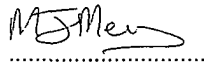
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

EPIMORPHICS LIMITED

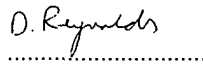
STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2022

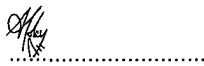
The financial statements were approved by the board of directors and authorised for issue on 13/03/23 and are signed on its behalf by:



M J Merry
Director



D E Reynolds
Director



A R Coley
Director

EPIMORPHICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2020		8,704	142,238	1,297	887,388	1,039,627
Year ended 30 September 2021:						
Loss and total comprehensive income for the year		-	-	-	(28,024)	(28,024)
Balance at 30 September 2021		8,704	142,238	1,297	859,364	1,011,603
Year ended 30 September 2022:						
Loss and total comprehensive income for the year		-	-	-	(114,643)	(114,643)
Own shares acquired		-	-	-	(18,291)	(18,291)
Redemption of shares	10	(683)	-	683	-	-
Balance at 30 September 2022		8,021	142,238	1,980	726,430	878,669

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Epimorphics Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Court Lodge, 105 High Street, Portishead, Bristol, BS20 6PT.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The directors have considered the ongoing impact of COVID-19 and the wider geopolitical situation on the business with a review of trade and plans to preserve the solvency of the business. The initial impact of COVID-19 on customers had an adverse effect on cash flow and profitability from which the business has not yet fully recovered: the business was still loss-making this year. However, the business has used its excess capacity to invest in product development; this will result in new products being released in the current financial year. The directors therefore expect the business to trade satisfactorily moving forward with no significant adverse cash flow impact. The business continues to have cash reserves to draw on if required. The directors will continue to review the business position and react accordingly. The directors, having taken these steps, believe that the business has sufficient prospect of trade and cash reserves to continue to trade for a period of no less than twelve months from the approval of these accounts. Accordingly, the directors have prepared the accounts on a going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sales of goods and services in the ordinary nature of the business and is shown net of VAT. Turnover is recognised with the relevant consulting service is carried out.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Development costs have not been amortised this year as they are not yet available for use. It is expected that they will become available for use within the next year.

Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer software	33% straight line
-------------------	-------------------

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% straight line
Equipment	50% in year 1, 33% in year 2, 17% in year 3

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	15	15

3 Directors' remuneration

	2022 £	2021 £
Remuneration paid to directors	234,287	221,725

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 3).

4 Share-based payments

Epimorphics Limited granted share options under the Enterprise Management Incentive (EMI) scheme to its employees.

Under the Company plan, share options are granted at the market price of the Company's shares at the grant date. The employee is entitled to exercise the share options in accordance with the EMI plan. If options remain unexercised after a period of 10 years from the date of grant, the options lapse. Furthermore, options are lapsed if the employee leaves the Company before they become entitled to exercise the share options.

	2022 Number of options	2022 Market value exercise price £
Outstanding at 1 October 2021	100	£23.38
Granted during the year	860	£26.78
Forfeited during the year	-	
Exercised during the year	-	
Expired during the year	-	
Exercisable at end of year	960	

No share-based payment charge was recognised in the income statement as the charge is deemed to be immaterial.

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

5 Taxation

	2022 £	2021 £
Current tax		
Adjustments in respect of prior periods	-	(87)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	-	(29,834)
	<u> </u>	<u> </u>
Total tax charge/(credit)	<u> </u>	<u> </u>

6 Intangible fixed assets

	Computer software £	Development Costs £	Total £
Cost			
At 1 October 2021	1,700	321,777	323,477
Additions - internally developed	1,700	220,020	221,720
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2022	3,400	541,797	545,197
	<u> </u>	<u> </u>	<u> </u>
Amortisation and impairment			
At 1 October 2021	1,700	-	1,700
Amortisation charged for the year	330	-	330
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2022	2,030	-	2,030
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 30 September 2022	1,370	541,797	543,167
	<u> </u>	<u> </u>	<u> </u>
At 30 September 2021	-	321,777	321,777
	<u> </u>	<u> </u>	<u> </u>

Development costs have not been amortised as they are not yet available for use. It is expected that they will become available for use within the next year.

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

7 Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 October 2021	4,690	33,457	38,147
Additions	-	3,363	3,363
At 30 September 2022	4,690	36,820	41,510
Depreciation and impairment			
At 1 October 2021	3,721	30,438	34,159
Depreciation charged in the year	969	3,440	4,409
At 30 September 2022	4,690	33,878	38,568
Carrying amount			
At 30 September 2022	-	2,942	2,942
At 30 September 2021	969	3,019	3,988

8 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	23,926	36,492
Corporation tax recoverable	-	107,310
Other debtors	10,313	10,128
	34,239	153,930

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	3,711	10,661
Taxation and social security	53,636	47,200
Other creditors	50,182	72,405
	107,529	130,266

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

10 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid Ordinary of £1 each	8,021	8,704	8,021	8,704
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Capital redemption

On 1 August 2022, 683 Ordinary shares with a par value of £1 were redeemed at a premium of £25.78 per share. These shares were added to the treasury shares held, with 1,980 being held as treasury shares at the balance sheet date.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	14,005	14,005
	<u> </u>	<u> </u>