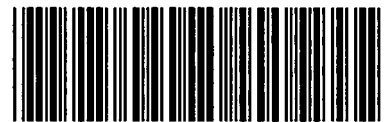


Company Registration No. 07016688 (England and Wales)

EPIMORPHICS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2023
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EPIMORPHICS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	5	791,301		543,167	
Tangible assets	6	1,907		2,942	
			<u>793,208</u>		<u>546,109</u>
Current assets					
Stocks		17,909		-	
Debtors	7	106,988		34,239	
Cash at bank and in hand		94,241		405,850	
			<u>219,138</u>		<u>440,089</u>
Creditors: amounts falling due within one year	8	(121,052)		(107,529)	
Net current assets			<u>98,086</u>		<u>332,560</u>
Total assets less current liabilities			<u>891,294</u>		<u>878,669</u>
Capital and reserves					
Called up share capital	9	8,381		8,021	
Share premium account		143,808		142,238	
Capital redemption reserve		1,620		1,980	
Profit and loss reserves		737,485		726,430	
Total equity			<u>891,294</u>		<u>878,669</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 2023 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.

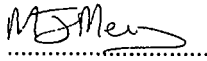
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

EPIMORPHICS LIMITED

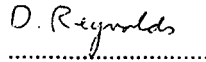
STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2023

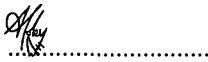
The financial statements were approved by the board of directors and authorised for issue on 29/01/24 and are signed on its behalf by:



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 2023

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 October 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	9	(683)	-	683	-	-
Balance at 30 September 2022		8,021	142,238	1,980	726,430	878,669
Year ended 30 September 2023:						
Profit and total comprehensive income for the year		-	-	-	10,695	10,695
Issue of share capital (exercise of share options)	9	360	1,570	-	-	1,930
Transfer of treasury shares		-	-	(360)	360	-
Balance at 30 September 2023		8,381	143,808	1,620	737,485	891,294

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 economic and 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 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 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.

Intangible fixed assets other than goodwill

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

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
Development Costs	20% straight line

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies (Continued)

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 2023

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.

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

2 Employees

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

	2023 Number	2022 Number
Total	16	15

3 Directors' remuneration

	2023 £	2022 £
Remuneration paid to directors	248,326	234,287

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022 - 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.

	2023 Number of options	2023 Market value exercise price £
Outstanding at start of year	960	5.36
Granted during the year	-	
Forfeited during the year	-	
Exercised during the year	(360)	
Expired during the year	-	
Exercisable at end of year	600	

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 2023

5 Intangible fixed assets

	Computer software £	Development Costs £	Total £
Cost			
At 1 October 2022	3,400	541,797	545,197
Additions - internally developed	-	262,100	262,100
At 30 September 2023	3,400	803,897	807,297
Amortisation and impairment			
At 1 October 2022	2,030	-	2,030
Amortisation charged for the year	567	13,399	13,966
At 30 September 2023	2,597	13,399	15,996
Carrying amount			
At 30 September 2023	803	790,498	791,301
At 30 September 2022	1,370	541,797	543,167

6 Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 October 2022	4,690	36,820	41,510
Additions	-	1,026	1,026
At 30 September 2023	4,690	37,846	42,536
Depreciation and impairment			
At 1 October 2022	4,690	33,878	38,568
Depreciation charged in the year	-	2,061	2,061
At 30 September 2023	4,690	35,939	40,629
Carrying amount			
At 30 September 2023	-	1,907	1,907
At 30 September 2022	-	2,942	2,942

EPIMORPHICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

7 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	32,116	23,926
Corporation tax recoverable	63,555	-
Other debtors	11,317	10,313
	<u>106,988</u>	<u>34,239</u>

8 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,936	3,711
Taxation and social security	68,494	53,636
Other creditors	50,622	50,182
	<u>121,052</u>	<u>107,529</u>

9 Called up share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	<u>8,381</u>	<u>8,021</u>	<u>8,381</u>	<u>8,021</u>

Share options

During the year share options were exercised. 360 Ordinary shares with a par value of £1 were issued at £5.36 per share. These shares were transferred from the treasury reserve. At the balance sheet date 1,620 (2022: 1,980) were held as treasury shares.

10 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:

	2023	2022
	£	£
Within one year	<u>14,005</u>	<u>14,005</u>