

Company Registration No. 13415161 (England and Wales)

**EPILEPSYGTX LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**  
**PAGES FOR FILING WITH REGISTRAR**

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## **EPILEPSYGTX LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors are responsible for preparing 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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company Registration No. 13415161

**EPILEPSYGTX LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

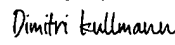
	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	5		30		-
Tangible assets	6		95,676		-
			<u>95,706</u>		<u>-</u>
<b>Current assets</b>					
Debtors	7	112,854		-	
Cash at bank and in hand		590,960		26	
		<u>703,814</u>		<u>26</u>	
<b>Creditors: amounts falling due within one year</b>	8	(159,540)		(4,953)	
<b>Net current assets/(liabilities)</b>			<u>544,274</u>		<u>(4,927)</u>
<b>Total assets less current liabilities</b>			<u>639,980</u>		<u>(4,927)</u>
<b>Capital and reserves</b>					
Called up share capital	9		88		26
Share premium account			1,499,985		-
Profit and loss reserves			(860,093)		(4,953)
<b>Total equity</b>			<u>639,980</u>		<u>(4,927)</u>

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

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

09/06/2023

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

DocuSigned by:  
  
 .....52871881F18747C.....  
 Prof D M Kullmann  
 Director

# **EPILEPSYGTX LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

EpilepsyGTx Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 30 Broad Street, Great Cambourne, Cambridge, CB23 6HJ.

#### **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**

Anticipated expenditure in accordance with the business plan for the full twelve months from the date of approval of the financial statements will require further funding, with existing funds at the date of signing these financial statements (including £1m of funding received since the year end in May 2023) expected to be fully utilised by August 2023 based on current cash burn rates. An agreement is in place with the existing investor for the remainder of tranche 2 seed funding (£0.9m) and tranche 3 (£0.6m), totalling £1.5m, which are expected to be received in August and November 2023, respectively, to extend the funds to January 2024. In respect of funding from February 2024 to 12 months from the date of approval of these financial statements, the company is in discussions with new investors as well as potential pharma and biotech business partners and, on that basis the directors have a reasonable expectation that the funding will be secured to enable the Company to continue to meet its liabilities as they fall due and to execute its business plan.

However, the remaining seed funding is dependent on achieving certain milestones and there can be no certainty over the timing of this funding as at the date of the approval of these financial statements. The funding beyond this is also not currently agreed and certain and for that reason, although the directors continue to adopt the going concern basis in preparing the financial statements, this creates a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern, as a minimum, for a period of at least 12 months from the date of approval of these financial statements.

#### **Reporting period**

The company was incorporated on 24 May 2021. The financial statements for the prior period are presented from the date of incorporation to 31 December 2021. The prior period is therefore not entirely comparable.

#### **Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Licence fees

Straight line over 5 years

#### **Tangible fixed assets**

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

# EPILEPSYGTX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

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

IT equipment	Straight line over 3 years
Laboratory equipment	Straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### **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 includes other debtors, 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.

# EPILEPSYGTX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (Continued)

#### ***Impairment of financial assets***

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***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, 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.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### ***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.

# EPILEPSYGTX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies (Continued)

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.

#### 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.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### Research and development expenditure

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

### 2 Employees

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

	2022 Number	2021 Number
Total	-	-

There was one employee of the company at year end, who was employed by the company for 4 months during the year.

**EPILEPSYGTX LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022****3 Directors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration paid to directors	103,917	-
	<u>103,917</u>	<u>-</u>

**4 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on losses for the current period	(80,503)	-
	<u>(80,503)</u>	<u>-</u>

**5 Intangible fixed assets**

	<b>Licence fees</b>
	<b>£</b>
<b>Cost</b>	
Additions	34
At 31 December 2022	<u>34</u>
<b>Amortisation and impairment</b>	
Amortisation charged for the year	4
At 31 December 2022	<u>4</u>
<b>Carrying amount</b>	
At 31 December 2022	<u>30</u>
At 31 December 2021	<u>-</u>

**EPILEPSYGTX LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022****6 Tangible fixed assets**

	Plant and machinery etc £	Laboratory equipment £	Total £
<b>Cost</b>			
Additions	1,250	97,988	99,238
At 31 December 2022	1,250	97,988	99,238
<b>Depreciation and impairment</b>			
Depreciation charged in the year	208	3,354	3,562
At 31 December 2022	208	3,354	3,562
<b>Carrying amount</b>			
At 31 December 2022	1,042	94,634	95,676
At 31 December 2021	-	-	-

**7 Debtors**

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	80,503	-
Other debtors	32,351	-
	112,854	-

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

	2022 £	2021 £
Trade creditors	35,993	-
Taxation and social security	11,234	-
Other creditors	112,313	4,953
	159,540	4,953

Included within other creditors are pension contributions totalling £7,167 (2021: £Nil) which are payable to the fund at the end of the year.

**9 Called up share capital**

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
Issued and fully paid				
Ordinary shares of £0.00001 each	7,297,471	2,595,883	73	26

# **EPILEPSYGTX LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2022**

### **9 Called up share capital (Continued)**

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Preference share capital</b>				
<b>Issued and fully paid</b>				
Seed preference shares of £0.00001 each	1,500,000	-	15	-
Preference shares classified as equity			15	-
<b>Total equity share capital</b>			<b>88</b>	<b>26</b>

On 9 May 2022, the company issued a total of 3,404,117 Ordinary £0.00001 shares in exchange for an IP licence agreement. The fair value of that licence cannot be measured reliably, and therefore the transaction has been measured at the value of the equity instruments granted. This has been recognised at the nominal value of the shares on the grounds that there is no significant difference between the nominal value and the fair value, and therefore any charge would not be material.

On 9 May 2022, the company issued 1,500,000 Seed Preference £0.00001 Shares for a total consideration of £1,500,000.

On 2 August 2022, the company issued 121,000 Ordinary £0.00001 shares for a total consideration of £1.

On 2 August 2022, the company issued 1,176,471 Ordinary £0.00001 shares for a total consideration of £12.

### **10 Related party transactions**

During the year, consultancy fees of £51,750 (2021: £Nil) were charged by UCL Consultants Ltd for the provision of services by 3 shareholders of the Company. At the year end £12,450 (2021: £Nil) was included in accruals in this respect.

During the year, costs of £106,368 (2021: £Nil) was charged by Albion Capital Group LLP (UCL Technology Fund 2 LP), a shareholder of the company. At the year end, £Nil (2021: £Nil) was outstanding in this respect.

### **11 Directors' transactions**

During the year, consultancy fees of £68,550 (2021: £Nil) were charged by UCL Consultants Ltd for the provision of services by Professor D M Kullmann. At the year end £18,900 (2021: £Nil) was included in accruals in this respect

During the year, the company was charged £155 (2021: £Nil) for costs by Professor D M Kullmann. At the year end, £Nil (2021: £Nil) was outstanding in this respect.

During the year, prior to his appointment as a Director, the company was charged £31,410 (2021: Nil) for costs by Mr N Koebe. At the year end, £Nil (2021: £Nil) was outstanding in this respect.

## **EPILEPSYGTX LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **12 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report included a material uncertainty related to going concern and a paragraph in relation to other matters which are set out below:

##### **Material uncertainty related to going concern**

We draw attention to the going concern disclosures in note 1 in the financial statements, which indicate that there is a material uncertainty as a result of the need to raise additional funding within the next 12 months in order to support the continuing research and development being undertaken by the company. With existing agreed funding dependent on achieving certain milestones and further additional funding also needed for which the directors are in talks with potential investors, the directors are unable to predict the timing and quantum of any potential funding with regards to the going concern basis of accounting and its related disclosures. As stated in note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

##### **Other matter - prior period financial statements not audited**

The company was exempt from audit in the period ended 31 December 2021 and consequently the corresponding figures are unaudited.

The auditor's report was unqualified.

The senior statutory auditor was Josh Taylor.

The auditor was RSM UK Audit LLP.