

Company Registration No. SC139471 (Scotland)

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020
PAGES FOR FILING WITH REGISTRAR

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

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EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

BALANCE SHEET

AS AT 31 MAY 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		1,218,286		1,162,768
Current assets					
Stocks		420,000		365,000	
Debtors	4	247,338		376,049	
Cash at bank and in hand		207,205		138,248	
		<u>874,543</u>		<u>879,297</u>	
Creditors: amounts falling due within one year	5	<u>(227,039)</u>		<u>(340,814)</u>	
Net current assets			647,504		538,483
Total assets less current liabilities			<u>1,865,790</u>		<u>1,701,251</u>
Creditors: amounts falling due after more than one year	6		(427,056)		(289,359)
Provisions for liabilities			(54,519)		(59,251)
Net assets			<u>1,384,215</u>		<u>1,352,641</u>
Capital and reserves					
Called up share capital	8		100		100
Revaluation reserve	7		388,085		322,483
Profit and loss reserves			996,030		1,030,058
Total equity			<u>1,384,215</u>		<u>1,352,641</u>

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2020

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 May 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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.

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.

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

The financial statements were approved by the board of directors and authorised for issue on 16 February 2021 and are signed on its behalf by:

R Newlands
Director

Company Registration No. SC139471

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2020

Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 May 2019:				
Balance at 1 June 2018	100	322,483	988,950	1,311,533
Year ended 31 May 2019:				
Profit and total comprehensive income for the year	-	-	101,228	101,228
Dividends	-	-	(60,120)	(60,120)
Balance at 31 May 2019	<u>100</u>	<u>322,483</u>	<u>1,030,058</u>	<u>1,352,641</u>
Year ended 31 May 2020:				
Profit for the year	-	-	25,392	25,392
Other comprehensive income:				
Revaluation of tangible fixed assets	-	65,602	-	65,602
Total comprehensive income for the year	-	65,602	25,392	90,994
Dividends	-	-	(59,420)	(59,420)
Balance at 31 May 2020	<u><u>100</u></u>	<u><u>388,085</u></u>	<u><u>996,030</u></u>	<u><u>1,384,215</u></u>

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

Company information

Edinburgh Pharmaceutical Processes Limited is a private company limited by shares incorporated in Scotland. The registered office is The Glencorse Building, Pentlands Science Park, Bush Loan, Penicuik.

1.1 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.

1.2 Going concern

In common with most businesses the company is facing potential issues in respect of the COVID-19 pandemic. This is an ongoing situation and the company is adopting a strategy to manage the everchanging situation as effectively as possible.

The director's are satisfied that these events do not affect the company's ability to continue as a going concern and this basis is appropriate for the preparation of the accounts.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on work in progress if the final outcome can be assessed with reasonable certainty by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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:

Land and buildings Freehold	Not provided
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(Continued)

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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.

Basic financial assets

Basic financial assets, which include 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 creditors, bank loans, loans from fellow group companies and preference shares 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2020	2019
	Number	Number
Total	24	25
	<u> </u>	<u> </u>

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 June 2019	905,695	1,183,966	2,089,661
Additions	28,703	34,172	62,875
Revaluation	65,602	-	65,602
	<u>1,000,000</u>	<u>1,218,138</u>	<u>2,218,138</u>
At 31 May 2020	1,000,000	1,218,138	2,218,138
Depreciation and impairment			
At 1 June 2019	-	926,893	926,893
Depreciation charged in the year	-	72,959	72,959
	<u>-</u>	<u>999,852</u>	<u>999,852</u>
At 31 May 2020	-	999,852	999,852
Carrying amount			
At 31 May 2020	1,000,000	218,286	1,218,286
	<u>905,695</u>	<u>257,073</u>	<u>1,162,768</u>
At 31 May 2019	905,695	257,073	1,162,768

The freehold property was revalued at £1,000,000 by Andrew Reilly Associates Ltd on 11 May 2020 assuming vacant possession.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2020 £	2019 £
Cost	611,916	583,213
Accumulated depreciation	-	-
	<u>611,916</u>	<u>583,213</u>
Carrying value	611,916	583,213

The revaluation surplus is disclosed in note 7.

4 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	144,769	215,493
Corporation tax recoverable	4,646	28,951
Other debtors	97,923	131,605
	<u>247,338</u>	<u>376,049</u>

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

4 Debtors **(Continued)**

5 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	49,121	25,000
Trade creditors	25,170	108,818
Other taxation and social security	26,170	17,080
Other creditors	126,578	189,916
	<u>227,039</u>	<u>340,814</u>
	<u><u>227,039</u></u>	<u><u>340,814</u></u>

Hire purchase liabilities are secured over the assets to which they relate.

Bank loans represent amounts due on two bank loans. The first bank loan of £26,899 (2019 - £25,000) is secured over the freehold property of the company. The second bank loan of £22,222 is unsecured.

6 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	387,108	238,128
Other creditors	39,948	51,231
	<u>427,056</u>	<u>289,359</u>
	<u><u>427,056</u></u>	<u><u>289,359</u></u>

Other creditors represent hire purchase liabilities are secured over the assets to which they relate.

Bank loans represent amounts due on two bank loans. The first bank loan of £209,330 (2019 - £238,128) is secured over the freehold property of the company. The second bank loan of £177,778 is unsecured.

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

7 Revaluation reserve

	2020 £	2019 £
Prior year adjustment	-	-
At the beginning of the year	322,483	322,483
Revaluation surplus arising in the year	65,602	-
	<u>388,085</u>	<u>322,483</u>
At the end of the year	<u><u>388,085</u></u>	<u><u>322,483</u></u>

8 Called up share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid		
5,000 A Ordinary shares of 1p each	50	50
4,500 B Ordinary shares of 1p each	45	45
500 C Ordinary shares of 1p each	5	5
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

9 Financial commitments, guarantees and contingent liabilities

No provision has been made for any corporation tax liability which would arise if the freehold property was sold at valuation. At 31 May 2020 the liability would have been approximately £60,643 (2019: £38,385).

10 Prior period adjustment

Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 31 May 2019 £
Current assets			
Debtors due within one year	410,162	(34,113)	376,049
	<u>410,162</u>	<u>(34,113)</u>	<u>376,049</u>
Capital and reserves			
Profit and loss	1,064,171	(34,113)	1,030,058
	<u>1,064,171</u>	<u>(34,113)</u>	<u>1,030,058</u>

Changes to the profit and loss account

	As previously reported £	Adjustment £	As restated £
Period ended 31 May 2019			
Taxation	(6,952)	(34,113)	(41,065)
Profit for the financial period	135,341	(34,113)	101,228
	<u>135,341</u>	<u>(34,113)</u>	<u>101,228</u>

EDINBURGH PHARMACEUTICAL PROCESSES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

10 Prior period adjustment **(Continued)**

Reconciliation of changes in equity

	1 June 2018 £	31 May 2019 £
Adjustments to prior year		
Under provision for taxation	-	(34,113)
Equity as previously reported	1,311,533	1,386,754
	<u>1,311,533</u>	<u>1,386,754</u>
Equity as adjusted	<u>1,311,533</u>	<u>1,352,641</u>

Reconciliation of changes in profit for the previous financial period

	2019 £
Adjustments to prior year	
Under provision for taxation	(34,113)
Profit as previously reported	135,341
	<u>101,228</u>
Profit as adjusted	<u>101,228</u>

Notes to reconciliation

The prior period adjustment relates to the under provision of corporation tax amounting to £34,113 that was not included in the 2019 accounts but related to that period. The directors have included this amount as a prior year adjustment in order to correctly state the 2019 position.

