

Registered number: 09669815

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**METRION BIOSCIENCES LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**METRION BIOSCIENCES LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

J W Ford  
K G McCullagh  
M Rogers  
A P Southan  
B A Kenny

**REGISTERED NUMBER**

09669815

**REGISTERED OFFICE**

Suite 1  
3 Riverside Granta Park  
Abington  
Cambridge  
CB21 6AD

**INDEPENDENT AUDITORS**

Peters Elworthy & Moore  
Chartered Accountants & Statutory Auditors  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

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**METRION BIOSCIENCES LIMITED**

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## METRION BIOSCIENCES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their report and the financial statements for the year ended 31 December 2018.

#### BUSINESS REVIEW

##### Principal Activity

Metrion Biosciences Limited (Metrion) is a specialist ion channel contract research and drug discovery business. The Company's business comprises three components: (i) short term projects paid on a fee for service basis ("CRO business"); (ii) longer term projects involving contracted funding of Metrion staff ("FTE contracts"); and (iii) internal research & development.

In 2018, the CRO business continued to expand in volume with new international customers being recruited, particularly in the USA. 2018 CRO sales of £738,365 represent a 53% increase over the same category in 2017. Unfortunately, this strong performance was offset by FTE contracts income of only £573,386 for the year, a reduction of 43% on that reported in 2017. The drop was due to unexpected terminations of an FTE project for scientific reasons and longer than anticipated negotiations in respect of a new contracts. The impact of this was such as to reduce contract research services income in the year by approximately 12% over 2017.

##### Research & Development

Throughout the year ended 31 December 2018, Metrion invested funds in research and development projects in three areas:

- Development of new FDA recommended cardiac safety assays;
- Joint proprietary projects in collaboration with other companies to identify new chemical drug discovery approaches and leads; and
- Proprietary research on novel ion channel drugs for auto-immune diseases.

All three of these research areas achieved success during the year. The first has delivered new assay formats and is attracting new cardiac safety screening customers, the second will result in a number of joint publications and presentations to prospective new clients in 2019, and the third has led to the identification of potent orally-active small molecule inhibitors of the potassium ion channel Kv1.3, which may have value as potential new medicines for auto-immune diseases. A core series of these new molecules were protected by a novel composition of matter patent application filed by the Company in 2018. The directors believe this research on Kv1.3 may bring benefit to shareholders through a corporate collaboration or spin-off venture in 2019.

#### DIRECTORS

The directors who served during the year were:

J W Ford  
K G McCullagh  
M Rogers  
N A J Tait (resigned 31 March 2019)  
A P Southan (appointed 1 March 2018)  
B A Kenny (appointed 1 March 2018)

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## METRION BIOSCIENCES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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#### DIRECTORS' RESPONSIBILITIES STATEMENT

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**K G McCullagh**  
Director

Date: 7<sup>th</sup> March 2019

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## METRION BIOSCIENCES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF METRION BIOSCIENCES LIMITED

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#### OPINION

We have audited the financial statements of Metrion Biosciences Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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## METRION BIOSCIENCES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF METRION BIOSCIENCES LIMITED (CONTINUED)

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#### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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## METRION BIOSCIENCES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF METRION BIOSCIENCES LIMITED (CONTINUED)

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#### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### USE OF OUR REPORT

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 Auditors' 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.



James Burrett (Senior Statutory Auditor)

for and on behalf of  
**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

13 May 2019



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**METRION BIOSCIENCES LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	<b>Note</b>	<b>2018 £</b>	<b>As restated 2017 £</b>
Turnover	3	1,516,282	1,584,938
Cost of sales		<u>(807,535)</u>	<u>(649,784)</u>
<b>GROSS PROFIT</b>		<b>708,747</b>	<b>935,154</b>
Administrative expenses		<b>(1,548,812)</b>	<b>(1,344,114)</b>
Other operating income	4	<b>72,143</b>	<b>159,168</b>
<b>OPERATING LOSS</b>	5	<b>(767,922)</b>	<b>(249,792)</b>
Interest receivable and similar income		<b>304</b>	<b>-</b>
Interest payable and expenses		<b>(10,023)</b>	<b>(10,146)</b>
<b>LOSS BEFORE TAX</b>		<b>(777,641)</b>	<b>(259,938)</b>
Tax on loss	7	<b>71,331</b>	<b>74,227</b>
<b>LOSS FOR THE YEAR</b>		<b><u>(706,310)</u></b>	<b><u>(185,711)</u></b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

There was no other comprehensive income for 2018 (2017 - £NIL).

The notes on pages 9 to 18 form part of these financial statements.

**METRION BIOSCIENCES LIMITED**  
**REGISTERED NUMBER: 09669815**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Intangible assets	8	68,195	30,354
Tangible assets	9	102,095	200,234
Investments		1	-
		<b>170,291</b>	<b>230,588</b>
<b>CURRENT ASSETS</b>			
Stocks		31,188	100,063
Debtors: amounts falling due within one year	11	527,904	474,358
Bank and cash balances		168,463	149,935
		<b>727,555</b>	<b>724,356</b>
Creditors: amounts falling due within one year	12	(638,886)	(601,097)
<b>NET CURRENT ASSETS</b>		<b>88,669</b>	<b>123,259</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>258,960</b>	<b>353,847</b>
Creditors: amounts falling due after more than one year	13	(109,409)	(23,581)
<b>NET ASSETS</b>		<b>149,551</b>	<b>330,266</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	4,085	2,912
Share premium account		915,880	391,458
Profit and loss account		(770,414)	(64,104)
		<b>149,551</b>	<b>330,266</b>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

  
**K G McCullagh**  
**Director**

Date: 7<sup>th</sup> May 2019

The notes on pages 9 to 18 form part of these financial statements.

**METRION BIOSCIENCES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	2,912	391,458	(64,104)	330,266
Loss for the year	-	-	(706,310)	(706,310)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	(706,310)	(706,310)
Shares issued during the year	1,173	524,422	-	525,595
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	1,173	524,422	-	525,595
<b>AT 31 DECEMBER 2018</b>	<b>4,085</b>	<b>915,880</b>	<b>(770,414)</b>	<b>149,551</b>

The notes on pages 9 to 18 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	2,612	241,758	121,607	365,977
Loss for the year	-	-	(185,711)	(185,711)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	(185,711)	(185,711)
Shares issued during the year	300	149,700	-	150,000
<b>TOTAL TRANSACTIONS WITH OWNERS</b>	300	149,700	-	150,000
<b>AT 31 DECEMBER 2017</b>	<b>2,912</b>	<b>391,458</b>	<b>(64,104)</b>	<b>330,266</b>

The notes on pages 9 to 18 form part of these financial statements.

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## METRION BIOSCIENCES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. GENERAL INFORMATION

The Company is private company limited by shares and incorporated in England & Wales. The address of the registered office is Suite 1, 3 Riverside Granta Park, Abington, Cambridge, CB21 6AD.

#### 2. ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 GOING CONCERN

The Company incurred a loss of £706,310 in the year, a major increase on the loss of £185,711 reported in 2017. As discussed in the Directors Report, the causes of the loss were twofold: a reduction of 12% in contract research services as a result of an unexpected FTE contract termination and significant investment in research & development.

The Directors have adopted a budget for 2019 that delivers positive net profit after tax. This includes a new FTE contract that commenced in January 2019 and continues throughout 2019. In addition, the Company has been awarded two new grants from Innovate UK that will contribute research funding during 2019. The Company has also received further equity investment funds since the 2018 year end and remains in discussion with additional potential investors (see Note 17 - Post Balance Sheet Event).

Having considered the basis of the 2018 financial statements, the Directors are satisfied that recently signed new customer contracts, expected business growth and a reduction in non-grant funded R&D expenditure will enable the Company to continue to meet its liabilities as they fall due.

##### 2.3 TURNOVER

Turnover comprises revenue recognised by the Company in respect of contract research services supplied during the period and grant income, exclusive of Value Added Tax.

Grants of revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

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## METRION BIOSCIENCES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.4 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Cell lines	-	5	years
Patents	-	10	years

### 2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives range as follows:

Short-term leasehold property	-	Over the period of the lease
Plant and machinery	-	33% straight line
Office equipment	-	33% straight line
Computer equipment	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

### 2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value.

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## METRION BIOSCIENCES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.10 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.11 FOREIGN CURRENCY TRANSLATION

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

##### 2.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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**METRION BIOSCIENCES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.14 INTEREST INCOME**

Interest income is recognised in the Profit and loss account using the effective interest method.

**2.15 BORROWING COSTS**

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

**2.16 TAXATION**

Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**2.17 RESEARCH AND DEVELOPMENT**

Research and development expenditure is recognised in the Profit and loss account in the period in which it is incurred.

**3. TURNOVER**

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Contract research services	1,311,751	1,487,457
Grant income	204,531	97,481
	<u>1,516,282</u>	<u>1,584,938</u>

**METRION BIOSCIENCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**4. OTHER OPERATING INCOME**

	2018 £	2017 £
Research and development expenditure credits	72,143	159,168
	<b>72,143</b>	<b>159,168</b>
	<b>72,143</b>	<b>159,168</b>

**5. OPERATING LOSS**

The operating loss is stated after charging:

	2018 £	2017 £
Grant funded research and development expenditure	302,823	139,259
Internally funded research and development expenditure	213,887	168,468
	<b>516,710</b>	<b>307,727</b>
	<b>516,710</b>	<b>307,727</b>

**6. EMPLOYEES**

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Employees	17	16
	<b>17</b>	<b>16</b>
	<b>17</b>	<b>16</b>

**7. TAXATION**

	2018 £	2017 £
<b>CORPORATION TAX</b>		
Research and development tax credit	(71,331)	(56,184)
Adjustments in respect of previous periods	-	(18,043)
	<b>(71,331)</b>	<b>(74,227)</b>
	<b>(71,331)</b>	<b>(74,227)</b>
<b>TAXATION ON LOSS ON ORDINARY ACTIVITIES</b>		
	<b>(71,331)</b>	<b>(74,227)</b>
	<b>(71,331)</b>	<b>(74,227)</b>



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**METRION BIOSCIENCES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**7. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2017 - 20%).

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**8. INTANGIBLE ASSETS**

	<b>Cell lines £</b>	<b>Patents £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2018	<b>37,879</b>	<b>-</b>	<b>37,879</b>
Additions	<b>-</b>	<b>50,000</b>	<b>50,000</b>
At 31 December 2018	<b>37,879</b>	<b>50,000</b>	<b>87,879</b>
<b>AMORTISATION</b>			
At 1 January 2018	<b>7,525</b>	<b>-</b>	<b>7,525</b>
Charge for the year	<b>7,576</b>	<b>4,583</b>	<b>12,159</b>
At 31 December 2018	<b>15,101</b>	<b>4,583</b>	<b>19,684</b>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<b>22,778</b>	<b>45,417</b>	<b>68,195</b>
At 31 December 2017	<b>30,354</b>	<b>-</b>	<b>30,354</b>

**METRION BIOSCIENCES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. TANGIBLE FIXED ASSETS**

	Short-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>COST OR VALUATION</b>					
At 1 January 2018	97,004	262,423	3,064	4,768	367,259
Additions	-	10,415	418	3,430	14,263
At 31 December 2018	<u>97,004</u>	<u>272,838</u>	<u>3,482</u>	<u>8,198</u>	<u>381,522</u>
<b>DEPRECIATION</b>					
At 1 January 2018	25,524	138,505	1,538	1,458	167,025
Charge for the year on owned assets	20,420	88,611	863	2,508	112,402
At 31 December 2018	<u>45,944</u>	<u>227,116</u>	<u>2,401</u>	<u>3,966</u>	<u>279,427</u>
<b>NET BOOK VALUE</b>					
At 31 December 2018	<u>51,060</u>	<u>45,722</u>	<u>1,081</u>	<u>4,232</u>	<u>102,095</u>
At 31 December 2017	<u>71,480</u>	<u>123,918</u>	<u>1,526</u>	<u>3,310</u>	<u>200,234</u>

**10. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COST OR VALUATION</b>	
Additions	1
At 31 December 2018	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>1</u>
At 31 December 2017	<u>-</u>

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**METRION BIOSCIENCES LIMITED**

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**10. FIXED ASSET INVESTMENTS (CONTINUED)**

On 14 February 2018, Metrion Pharma Limited, a 100% subsidiary of the Company, was incorporated and is registered in England and Wales. The subsidiary was dormant throughout the period ended 31 December 2018.

**11. DEBTORS**

	2018 £	2017 £
Trade debtors	197,744	196,705
Other debtors	154,917	141,499
Prepayments and accrued income	175,243	136,154
	<u>527,904</u>	<u>474,358</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Bank loans	19,422	33,153
Other loans	278,400	278,400
Trade creditors	229,812	134,941
Amounts owed to group undertakings	1	-
Other taxation and social security	21,172	18,528
Other creditors	12,866	10,850
Accruals and deferred income	77,213	125,225
	<u>638,886</u>	<u>601,097</u>

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. At the balance sheet date, unpaid contributions of £9,313 (2017 - £8,994) were due to the fund, which are included within other creditors.

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**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Bank loans	9,409	23,581
Other creditors	100,000	-
	<u>109,409</u>	<u>23,581</u>

**Secured loans**

Bank loans are transacted on a repayment basis, bear interest at 2.95% over Bank of England base rate and are secured by a first legal charge over the Company's assets.

Other loans are transacted on an interest only basis, bear interest at 2.5% over Bank of England base rate and are secured by a charge over the Company's assets.

**14. SHARE CAPITAL**

	2018 £	2017 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
408,496 (2017 - 291,200) Ordinary shares of £0.01 each	<u>4,085</u>	<u>2,912</u>

During the year the Company issued 117,296 Ordinary shares for a total share premium of £524,422.

**15. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Less than 1 year	128,509	128,509
1 - 5 years	203,472	331,981
	<u>331,981</u>	<u>460,490</u>

**16. TRANSACTIONS WITH DIRECTORS**

During the year a director of the Company made an unsecured, interest free loan of £100,000 to the Company. The loan is not due to be repaid before 31 December 2019.

At 31 December 2018 the full amount was outstanding and is included within other creditors due after more than one year.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. POST BALANCE SHEET EVENTS**

Following the year end the Company raised additional equity totalling £196,784.