

Metrion Biosciences is a specialist ion channel contract research business.

We are leaders in the provision of high quality ion channel drug discovery and safety assessment services to the world-wide pharmaceutical and life sciences industry.

Founded in September 2015, the Company has established an international reputation for the accuracy and technical competence of its ion channel research and development services and the clarity of its interpretation and reporting.

COMPANY INFORMATION

DIRECTORS

J W Ford
B A Kenny
M W Keogh
K G McCullagh
J G Montana
M Rogers
A P Southan
M C Ward

COMPANY SECRETARY

C Ruddy

REGISTERED NUMBER

09669815

REGISTERED OFFICE

First Floor Building 2
Granta Centre
Granta Park
Great Abington
Cambridge
CB21 6AL

INDEPENDENT AUDITORS

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

METRION BIOSCIENCES LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021
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METRION BIOSCIENCES LTD

CHAIRMAN'S STATEMENT

INTRODUCTION

Metrion Biosciences is a specialist ion channel contract research business, providing high quality ion channel assays for pharmaceutical and biotech customers worldwide. In 2021 the Company achieved another year of significant growth, including the raising of new equity capital, expansion into customised laboratories, investment in further specialist laboratory instrumentation, and recruitment of experienced management and scientific staff.

The search for breakthroughs in medicine and discovery of new cures for disease continues to fuel the growth of the worldwide bioscience industry. Ion channel biology is one of several fast-growing areas of innovation in drug discovery. Ion channels are proteins that mediate the passage of charged atoms across cell membranes, creating as they do so, the electrical charges and pulses that enable the functions of life. Without ion channels, cells would not move, muscles would not contract, nerves would not sense, and hearts would not pump. Ion channels are therefore vital to the proper functioning of the body and are associated with many aspects of health and disease. The ever-increasing demand for new medicines is driving expansion of studies on ion channels as novel targets for drug discovery or potential mediators of unwanted side effects of new drugs.

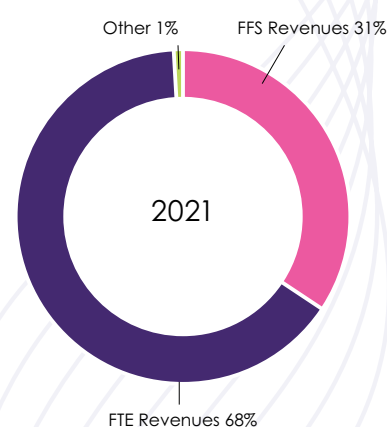
Metrion's business focusses on providing ion channel expertise to pharma and bioscience clients. Measurement of the function of ion channels in cells and tissues is challenging and requires sophisticated knowledge and skill in electrophysiology, a specialist technology often not found within individual drug discovery and development companies. Metrion's mission is to be a leading provider of high-quality ion channel studies and data and a trusted specialist partner for our customers in the worldwide pharmaceutical and life sciences industry.

Covid-19

The Covid-19 pandemic continued in the UK throughout 2021 with varied government guidelines changing as the pandemic evolved. Metrion's internal safety committee met regularly to ensure full compliance with evolving regulations and issue advice to staff on the Company's health and safety policies. Laboratory operations were maintained successfully throughout the year despite some staff absences due to positive tests or isolation policy. Nevertheless, the challenging environment and the rapid spread of the Omicron coronavirus strain in the last quarter of the year inevitably had an impact on revenues, although the extent of the reduction is hard to quantify. As the number of active Covid-19 infections appears to be falling in most countries of the world, we expect the business impact of the pandemic to fall away in 2022.

REVENUES

+27%
TO £3.39M



METRION BIOSCIENCES LTD

CHAIRMAN'S STATEMENT

NEW EQUITY INVESTMENT

As anticipated in last year's annual report, Metrion completed an external financing in March 2021, raising approximately £2.7m of new equity. The round was led by Gresham House Asset Management, fund manager of the Baronsmead Venture Trusts. The proceeds of the issue enabled the Company to fit out its new enlarged laboratories to high quality standards and invest in specialised electrophysiology and other automated biology screening equipment. The investment also provided funding for business development resources and enhanced working capital for business expansion.

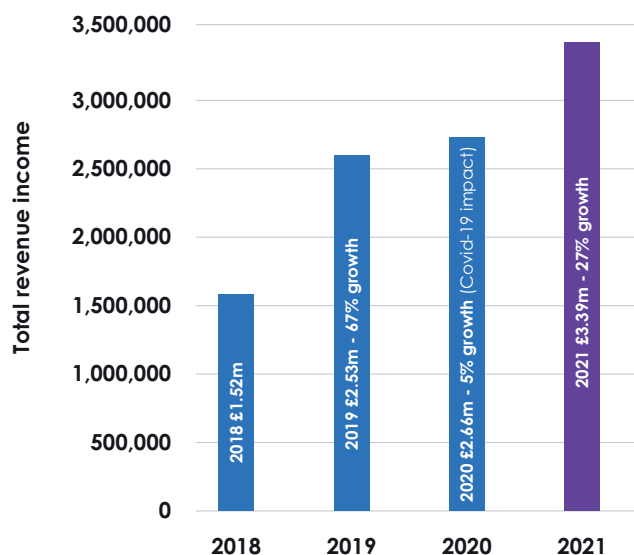
BUSINESS PERFORMANCE

Revenues for the 2021 year totalled £3.39m, a 27% increase on turnover in 2020. The growth was achieved despite the continued difficulties of operating under Covid-19 restrictions for much of the year and the substantial amount of non-revenue generating work and laboratory downtime associated with the laboratory move. Once again, the Company increased the number of both its fee-for-service and FTE-contract clients and achieved its goal of expanding business in Europe and the USA.

Despite the increase in revenues, overall earnings before Interest, tax, depreciation and amortisation (EBITDA) were negative at (£22,022), due in part to expansion in staff and operating overheads but also to the one-off costs of the laboratory move (see below) and related expenses. Operating profit after removal of these exceptional items (adjusted EBITDA) was positive for the year at £200,917.



GROWTH IN REVENUE INCOME 2018 - 2021



METRION BIOSCIENCES LTD

CHAIRMAN'S STATEMENT

MANAGEMENT

One of Metrion's business objectives in 2021 was to enhance its commercial team through recruitment of experienced business development executives to the Company's management. I am therefore delighted to welcome Nick Foster, who joined Metrion from WuXi AppTec in July 2021 as Chief Commercial Officer and Head of Global Business Development. I also welcome Dr Rory Curtis, who joined Metrion in November 2021 as Vice-President of US Commercial Operations, based in Buffalo, New York, where he will be supporting Nick in building Metrion's US business development team. Finally, in December we welcomed Dr Gary Clark, who joined Metrion from Charles River Laboratories to take on the new role of Director of Screening Technologies.

Dr Marc Rogers, one of Metrion's founders and previously Company's Chief Scientific Officer, stepped down from this role at the end of November 2021 to pursue other interests, having helped the Company to achieve sustainable success. I would like to thank Marc for his contributions to the Company since its inception and wish him every success. He remains a member of the board as a non-executive director.

BOARD

In last year's annual report, I was able to announce the strengthening of Metrion's board. In the first half of 2021, Dr John Montana, Maya Ward and Mark Keogh all joined the board as non-executive directors. John was until recently a senior executive at Charles River laboratories and is now an Operating Partner at Forbion. Maya, a chartered accountant and Oxford graduate, is Investment Director at Gresham House Asset Management, whose interests she represents on the Metrion board, and also brings strong experience of investment management in healthcare companies. Mark, who recently retired from the position of Group CFO at Charles Taylor plc, an international insurance group, is a chartered accountant and civil engineer with more than thirty years of experience in senior financial positions in multiple industry sectors. We welcome them as new directors and thank them and other members of the Metrion board for their thoughtful advice and substantial contributions to the Company throughout the year.

STAFF

As in every year, Metrion's success in 2021 has come from the efforts of all its employees. This year more than most, I thank them on behalf of the board for their persistent commitment and goodwill towards the business they are helping to build. The continued presence of the coronavirus pandemic throughout the year presented challenges for all but I am enormously grateful to the Metrion team for the professionalism of their response, which ensured quality and service were maintained throughout. I would also like to thank Andy Southan, Metrion's CEO, for his continued foresight and leadership in 2021.



Nick Foster BSc
Chief Commercial Officer



Rory Curtis PhD
VP, US Commercial Operations



Gary Clark PhD
Director, Screening
Technologies

METRION BIOSCIENCES LTD CHAIRMAN'S STATEMENT



OUTLOOK

Metrion is building a specialised contract research business. We believe that research requiring high quality, specialised knowledge and sophisticated technical experience, such as ion channel biology and associated medicinal chemistry or biologic screening, is best delivered in a specialised business environment rather than as part of a multi-disciplinary generalised CRO. Metrion's strategic vision is therefore to become a leader in commercial ion channel research and a world-wide centre of excellence in ion channel contract services and drug discovery screening.

Since its incorporation in 2015, the Company has concentrated on putting in place strong foundations for future growth. Those strengths, in highly skilled and experienced management, staff and board, state of the art laboratories and equipment, financial resources and, most of all, an international reputation for quality of science and customer service, have largely now been achieved. The next phase of development is to deliver high growth, international expansion, and increased profitability and thereby enhance value for shareholders. In 2022, we aim to demonstrate each of these goals is attainable and look forward to another successful year as a unique company in the life science industry.

Keith McCullagh

Chairman

26th August 2022

METRION BIOSCIENCES LTD

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

During the year, the Company's principal activity was ion channel contract research and collaborative drug discovery services for the world-wide pharmaceutical, biotech and life sciences industry.

DIRECTORS

The directors who served during the year were:

J W Ford

B A Kenny

M W Keogh (appointed 15 April 2021)

K G McCullagh

J G Montana (appointed 1 February 2021)

M Rogers

A P Southan

M C Ward (appointed 31 March 2021)

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.

METRION BIOSCIENCES LTD
DIRECTORS' REPORT (CONTINUED)

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: 26th August 2022

METRION BIOSCIENCES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METRION BIOSCIENCES LIMITED

OPINION

We have audited the financial statements of Metrion Biosciences Limited (the 'Company') for the year ended 31 December 2021, 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:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Chairman's Statement and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman's Statement and the Directors' Report have 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 Chairman's Statement or 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 Chairman's Statement.

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the Biosciences sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

METRION BIOSCIENCES LTD
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
METRION BIOSCIENCES LIMITED (CONTINUED)**

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- we tested significant transactions, in particular the evaluation of the business rationale for any which appeared unusual or outside the company's normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. 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

Date: 2 September 2022

METRION BIOSCIENCES LTD
**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	3	3,387,325	2,663,703
Cost of sales		(1,292,413)	(1,157,076)
GROSS PROFIT		2,094,912	1,506,627
Administrative expenses		(2,353,040)	(1,529,290)
Other operating income	4	96,593	81,083
OPERATING (LOSS)/PROFIT	5	(161,535)	58,420
Interest receivable and similar income		85	-
Interest payable and similar expenses		(8,412)	(12,523)
(LOSS)/PROFIT BEFORE TAX		(169,862)	45,897
Tax on (loss)/profit	8	12,461	3,439
(LOSS)/PROFIT FOR THE YEAR		(157,401)	49,336
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Movement on share options		7,291	9,041
OTHER COMPREHENSIVE INCOME FOR THE YEAR		7,291	9,041
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(150,110)	58,377

The notes on pages 17 to 27 form part of these financial statements.

METRION BIOSCIENCES LTD
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	9	130,706	102,371
Tangible assets	10	1,886,623	55,834
Investments	11	100	100
		2,017,429	158,305
CURRENT ASSETS			
Stocks		137,972	112,889
Debtors: amounts falling due within one year	12	914,790	736,455
Bank and cash balances		1,105,347	260,288
		2,158,109	1,096,539
Creditors: amounts falling due within one year	13	(931,645)	(763,793)
NET CURRENT ASSETS		1,226,464	332,746
TOTAL ASSETS LESS CURRENT LIABILITIES		3,243,893	491,051
Creditors: amounts falling due after more than one year	14	(282,655)	(67,000)
NET ASSETS		2,961,238	424,051
CAPITAL AND RESERVES			
Called up share capital	15	10,321	4,612
Share premium account		3,792,207	1,110,619
Profit and loss account		(841,290)	(691,180)
		2,961,238	424,051

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



K G McCullagh

Director

Date: 26th August 2022

The notes on pages 17 to 27 form part of these financial statements.

METRION BIOSCIENCES LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2021	4,612	1,110,619	(691,180)	424,051
Loss for the year	-	-	(157,401)	(157,401)
Movement on share options	-	-	7,291	7,291
Shares issued during the year	5,709	2,681,588	-	2,687,297
AT 31 DECEMBER 2021	10,321	3,792,207	(841,290)	2,961,238

The notes on pages 17 to 27 form part of these financial statements.

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	4,610	1,110,243	(749,557)	365,296
Profit for the year	-	-	49,336	49,336
Movement on share options	-	-	9,041	9,041
Shares issued during the year	2	376	-	378
AT 31 DECEMBER 2020	4,612	1,110,619	(691,180)	424,051

The notes on pages 17 to 27 form part of these financial statements.

METRION BIOSCIENCES LTD
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

The Company is a private company limited by shares and incorporated in England & Wales. The address of the registered office and principal place of business is First Floor Building 2 Granta Centre, Granta Park, Great Abington, Cambridge, CB21 6AL.

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 Section 1A of 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 reported a loss of £157,401 in 2021 compared to a profit of £49,336 in the prior year.

The laboratory and office move which took place in 2021 resulted in significant one off costs as well as some downtime in the laboratory operations. Following finalisation of the equity investment in March 2021, the company has also invested in the recruitment of additional staff to generate business and fulfill the increase in FTE contracts.

The company ended the year with cash in the bank of £1.1m and the Directors have adopted a budget for 2022 which delivers a significant increase in revenue. The Directors are satisfied that this will enable the company 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.

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	-	10	years
Patents	-	10	years

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

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	- 14 - 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 profit or loss.

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.

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.

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

2.11 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.12 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.13 OPERATING LEASES

Rentals paid under operating leases are charged to profit or loss 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.

2.14 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.

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2. ACCOUNTING POLICIES (CONTINUED)

2.15 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.16 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.17 TAXATION

Tax is recognised in profit or loss 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.

2.18 RESEARCH AND DEVELOPMENT

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

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

3. TURNOVER

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

	2021	2020
	£	£
Fee for service contracts	1,041,326	1,034,505
FTE funded contracts	2,293,918	1,441,057
Grant income	-	188,141
Funding of research activities	52,081	-
	3,387,325	2,663,703

4. OTHER OPERATING INCOME

	2021	2020
	£	£
Research and development expenditure credits	89,324	43,072
Government grants receivable	7,269	38,011
	96,593	81,083

Government grants represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff.

5. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2021	2020
	£	£
Grant funded research and development expenditure which has been reclaimed in the year	-	163,811
Internally funded costs relating to grant funded projects	-	104,771
Internally funded research and development expenditure	68,919	69,469
	68,919	338,051

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
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6. EBITDA

	2021	2020
	£	£
(Loss)/Profit	(157,401)	49,336
Interest payable	8,412	12,523
Interest receivable	(85)	-
Corporation tax	(12,461)	(3,439)
Foreign exchange	13,023	4,495
Depreciation	109,420	39,306
Amortisation	17,017	10,121
Loss on sale of assets	55	709
	(22,020)	113,051

One off costs of £222,937 were incurred in 2021 associated with the laboratory and office move as well as additional recruitment to generate and fulfill new business. Underlying EBITDA, excluding one off costs was £200,917.

7. EMPLOYEES

The average monthly number of employees, including directors, during the year was 30 (2020 - 23).

8. TAXATION

	2021	2020
	£	£
CORPORATION TAX		
Current tax on profits for the year	(12,461)	(3,439)
	(12,461)	(3,439)
TOTAL CURRENT TAX	(12,461)	(3,439)
DEFERRED TAX		
TOTAL DEFERRED TAX	-	-
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	(12,461)	(3,439)

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 RDEC claim before tax at the standard rate of corporation tax in the UK of 19% (2020 - 19%).

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are unrecognised tax losses available to offset against future taxable profits of £2,839,152 (2020: £507,108).

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

9. INTANGIBLE ASSETS

	Cell lines £	Patents £	Total £
COST			
At 1 January 2021	67,213	77,844	145,057
Additions	-	45,352	45,352
At 31 December 2021	67,213	123,196	190,409
AMORTISATION			
At 1 January 2021	26,059	16,627	42,686
Charge for the year on owned assets	5,092	11,925	17,017
At 31 December 2021	31,151	28,552	59,703
NET BOOK VALUE			
At 31 December 2021	36,062	94,644	130,706
At 31 December 2020	41,154	61,217	102,371

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 January 2021	97,004	305,569	3,740	27,197	433,510
Additions	546,607	1,344,483	23,274	25,900	1,940,264
Disposals	(97,004)	(3,333)	(761)	-	(101,098)
At 31 December 2021	546,607	1,646,719	26,253	53,097	2,272,676
DEPRECIATION					
At 1 January 2021	86,782	274,322	3,568	13,004	377,676
Charge for the year on owned assets	28,359	67,480	3,055	10,526	109,420
Disposals	(97,004)	(3,333)	(706)	-	(101,043)
At 31 December 2021	18,137	338,469	5,917	23,530	386,053
NET BOOK VALUE					
At 31 December 2021	528,470	1,308,250	20,336	29,567	1,886,623
At 31 December 2020	10,222	31,247	172	14,193	55,834

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2021	100
At 31 December 2021	100

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 from incorporation to the 31 December 2021.

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

12. DEBTORS

	2021	2020
	£	£
Trade debtors	456,721	484,175
Amounts owed by group undertakings	100	-
Other debtors	159,624	46,511
Prepayments and accrued income	298,345	205,769
	914,790	736,455

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other loans	-	33,000
Trade creditors	331,917	246,315
Other taxation and social security	42,798	119,373
Other creditors	100,742	15,407
Accruals and deferred income	456,188	349,698
	931,645	763,793

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 £15,230 (2020 - £12,002) were due to the fund, which are included within other creditors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other loans	-	67,000
Other creditors	282,655	-
	282,655	67,000

In the current year, other creditors relates to 10 bills of exchange payable over a 5 year period. In the prior year, amounts loaned from a director and further details were included in Note 17.

15. SHARE CAPITAL

	2021	2020
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
537,020 (2020 - 461,225) Ordinary shares of £0.01 each	5,370.20	4,612.25
247,525 (2020 - NIL-) A Ordinary shares of £0.01 each	2,475.25	-
247,525 (2020 - NIL-) A Preference shares of £0.01 each	2,475.25	-
	10,320.70	4,612.25

During the year end the Director's Loan of £100,000 outstanding as at 31st December 2020 was converted on 8th February 2021 into 26,666 Ordinary Shares of 0.01 as per the terms of the convertible loan agreement dated 28th December 2018.

The Company also completed additional equity financing on 31st March 2021 raising £2.7m, including £2.25m from Gresham House Asset Management Limited in its capacity as investment manager of the Baronsmead Venture Trust and Baronsmead Second Venture Trust. The Company allotted and issued:

- 247,525 A Preference Shares of 0.01 each at a price of £9.0563 each
- 247,525 A Ordinary Shares of 0.01 each at a price of £0.0337 each
- 49,030 Ordinary Shares of 0.01 each at a price of £9.09 each

1 Ordinary Share of £1 nominal value was also subdivided into 100 Ordinary Shares of 0.01 each. 99 of these were then converted into deferred shares of 0.01 each.

The funding will be used to expand Metrion's laboratories in Cambridge, UK, invest in specialist equipment, develop it's cell line library and add GLP cardiac safety services. The financing will also enable the expansion of the Company's business development activities.

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	322,620	74,963
Later than 1 year and not later than 5 years	1,176,752	-
	1,499,372	74,963

17. TRANSACTIONS WITH DIRECTORS

In 2018 a director of the Company made a secured, interest bearing loan of £100,000 to the Company. This loan bears interest at 9%.

At 31 December 2021 this loan had been repaid in full by the Company.

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