



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 2022
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METRION BIOSCIENCES LTD

CHAIRMAN'S STATEMENT

INTRODUCTION

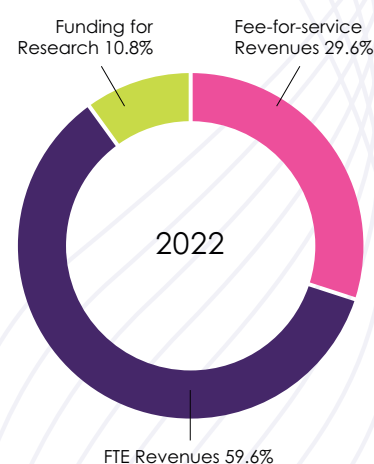
Metrion Biosciences is a specialist ion channel contract research organisation. We provide high quality ion channel assays and services to pharmaceutical and life science companies worldwide. Ion channels are proteins that are critical for the effective functioning of all organs and tissues in the body. It is ion channels that generate the electrical impulses in nerves, drive contractions of the heart and of skeletal and smooth muscles, enable sensory perception, initiate cell movement, activate hormone secretion and control many other tissue pathways. In a real sense, ion channels are vital enablers of life and it is not surprising that they have become an important class of protein targets for pharmaceutical research and development. However, the accurate measurement of ion channel functionality and responses to drug action is challenging and requires sophisticated electrophysiological equipment and expertise. Over the last few years, Metrion has established itself as a leader in this field.

BUSINESS PERFORMANCE

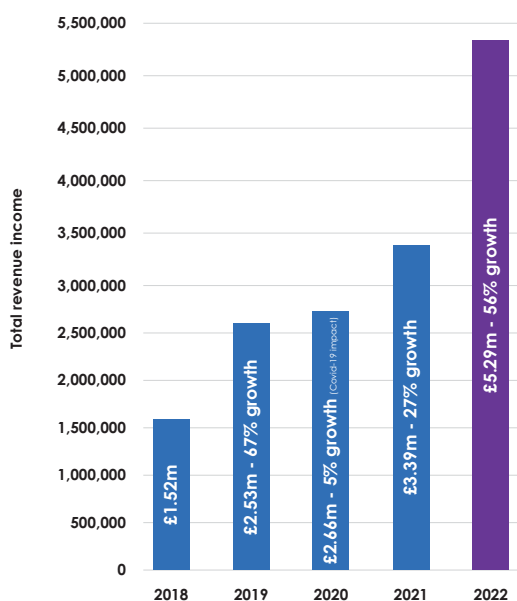
I am pleased to report that 2022 was another year of successful growth for the Company. Revenues grew 56% to £5.29m, driven by increases in both short term fee-for-service and longer term employee based (FTE) contracts. Both customer numbers and revenue per customer increased in 2022 compared to 2021 and almost 50% of 2022 fee-for-service work was for customers based in the USA. Net profit after tax for the year was £1,169 compared to a loss of £157,401 in 2021, while earnings before interest, tax, depreciation and amortisation (EBITDA) for 2022 were £301,240, a significant improvement over the £22,022 EBITDA loss in 2021.

REVENUES

+56%
TO £5.29M



GROWTH IN REVENUE INCOME 2018 - 2022



METRION BIOSCIENCES LTD CHAIRMAN'S STATEMENT

INVESTMENTS IN FACILITIES, INSTRUMENTATION AND STAFF

In the second half of 2021, Metrion moved into new customised laboratories at Granta Park, Cambridge. The year ended 31 December 2022 therefore represents the first full year of operations in the new facility, comprised of 12,000 square feet of purpose built laboratories and offices. During the year, the Company also invested in additional automated electrophysiology equipment and high throughput screening systems. To enhance the Company's operating capacity and ion channel expertise, the Company also recruited 18 additional high quality staff during the year, bringing total headcount at year end to 41. The substantial rise in overheads associated with this expansion was offset by the increased number of studies conducted during the year, resulting in the enhanced revenues and growth in EBITDA.

The Company expects to continue its growth in 2023 and is likely to require additional laboratory facilities by the end of 2024. In mid-2022, the opportunity arose for Metrion to acquire the lease of 8,000 square feet of additional office space immediately adjacent to the Company's existing laboratories. The new lease was signed in November 2022 and the Company plans to initiate conversion of the additional space to customised laboratories during 2023.

Metrion's reputation for providing expert ion channel services has grown progressively in the USA over the course of 2022. In part, this has been due to the impact of having a dedicated US business development presence in the USA. I am pleased to welcome Dr Stephen Jenkinson, previously Senior Director at Pfizer's secondary pharmacology group in San Diego, who will join Metrion in June 2023 as Vice-President of Drug Discovery and Safety Assessment USA. In this role, Steve will take over leadership of Metrion's US commercial operations. Further business development appointments are expected to follow, both in the USA and Europe.



METRION BIOSCIENCES LTD CHAIRMAN'S STATEMENT



STAFF, MANAGEMENT & BOARD

The Company's continued growth and development is a team effort, and results from the enthusiasm and dedication of all members of the Metrion team, from junior staff to senior management. Their commitment to provide the highest quality scientific data and expertise, reliable daily operations and outstanding customer service is the core of the Company's ethos. On behalf of the board and the Company's shareholders, I thank staff at all levels for their remarkable contribution during the year. I would also like to thank Dr Andy Southan, Metrion's CEO, for his experienced leadership of the Company and the members of the Company's board for their valuable experience, advice and insight throughout the year.

OUTLOOK

Metrion's strategic vision is to become the leading provider of commercial ion channel research and a world-wide centre of excellence in contract ion channel services and drug discovery screening. In 2023, Metrion expects to continue the growth of its existing drug discovery and safety services but also to add Good Laboratory Practice (GLP) accreditation for its cardiac safety studies, to develop its expertise in high throughput screening of compound libraries and to expand its neuroscience services. Over the last few years, Metrion has forged strong foundations for future growth. The aims of the next phase of the Company's development are to expand its international customer base, encourage the growth of ion channel pharmaceutical research through a greater range of assay capabilities and continue to build revenues while simultaneously enhancing profitability.



A handwritten signature in black ink, appearing to read 'K. McCullagh'.

Keith McCullagh

Chairman

2nd June 2023

METRION BIOSCIENCES LTD

DIRECTORS' REPORT

THE DIRECTORS PRESENT THEIR REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022.

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
K G McCullagh
J G Montana
M Rogers
A P Southan
M C Ward

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: 2nd June 2023

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 2022, 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 2022 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.

METRION BIOSCIENCES LTD
**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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 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.

METRION BIOSCIENCES LTD

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 7, 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: 2nd June 2023

METRION BIOSCIENCES LTD
**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	3	5,289,291	3,387,325
Cost of sales		(2,055,104)	(1,292,413)
GROSS PROFIT		3,234,187	2,094,912
Administrative expenses		(3,341,556)	(2,353,040)
Other operating income	4	94,353	96,593
OPERATING LOSS	5	(13,016)	(161,535)
Interest receivable and similar income		318	85
Interest payable and similar expenses		(13,839)	(8,412)
LOSS BEFORE TAX		(26,537)	(169,862)
Tax on (loss)/profit	8	27,706	12,461
PROFIT/(LOSS) FOR THE YEAR		1,169	(157,401)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Movement on share options		5,738	7,291
OTHER COMPREHENSIVE INCOME FOR THE YEAR		5,738	7,291
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,907	(150,110)

The notes on pages 16 to 26 form part of these financial statements.

METRION BIOSCIENCES LTD
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	9	133,784	130,706
Tangible assets	10	2,134,069	1,886,623
Investments	11	100	100
		2,267,953	2,017,429
CURRENT ASSETS			
Stocks		151,649	137,972
Debtors: amounts falling due within one year	12	1,133,497	914,790
Cash at bank and in hand		884,461	1,105,347
		2,169,607	2,158,109
Creditors: amounts falling due within one year	13	(1,051,107)	(931,645)
NET CURRENT ASSETS		1,118,500	1,226,464
TOTAL ASSETS LESS CURRENT LIABILITIES		3,386,453	3,243,893
Creditors: amounts falling due after more than one year	14	(412,679)	(282,655)
NET ASSETS		2,973,774	2,961,238
CAPITAL AND RESERVES			
Called up share capital	15	10,358	10,321
Share premium account		3,797,799	3,792,207
Profit and loss account		(834,383)	(841,290)
		2,973,774	2,961,238

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: 2nd June 2023

The notes on pages 16 to 26 form part of these financial statements.

METRION BIOSCIENCES LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2022	10,321	3,792,207	(841,290)	2,961,238
Profit for the year	-	-	1,169	1,169
Movement on share options	-	-	5,738	5,738
Shares issued during the year	37	5,592	-	5,629
AT 31 DECEMBER 2022	10,358	3,797,799	(834,383)	2,973,774

The notes on pages 16 to 26 form part of these financial statements.

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 16 to 26 form part of these financial statements.

METRION BIOSCIENCES LTD
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 profit of £1,169 in 2022 compared to a loss of £157,401 in 2021 and profit of £49,336 in 2020.

In 2022 the company took on the lease of some additional space on the same floor as it's existing space in order to prepare for future growth. The costs of this space are included within the 2022 costs and will be developed for future use or potential sublet.

The laboratory and office move which took place in 2021 resulted in significant one off costs in 2021 as well as increased overheads in 2022 as the company continues to generate additional revenue from it's expansion.

The company ended the year with cash in the bank of £0.9m and the Directors have adopted a budget for 2023 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 2022 (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.

Depreciation is provided on the following basis:

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 2022 (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 profit or loss when they fall due. Amounts not paid are shown in accruals 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 2022 (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 2022 (CONTINUED)

3. TURNOVER

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

	2022	2021
	£	£
FTE funded contracts	3,154,047	2,293,918
Fee for service contracts	1,567,522	1,041,326
Funding of research activities	567,722	52,081
	5,289,291	3,387,325

4. OTHER OPERATING INCOME

	2022	2021
	£	£
Research and development expenditure credits	94,353	89,324
Government grants receivable	-	7,269
	94,353	96,593

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

5. OPERATING LOSS

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

	2022	2021
	£	£
Non grant funded research and development expenditure	569,171	68,919

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

6. EBITDA

	2022	2021
	£	£
(Loss)/Profit	1,169	(157,401)
Interest payable	13,839	8,412
Interest receivable	(318)	(85)
Corporation tax	(27,706)	(12,461)
Foreign exchange	(37,089)	13,023
Depreciation	332,795	109,420
Amortisation	18,508	17,017
Loss on sale of assets	42	55
	301,240	(22,020)

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.

Non-operating costs of £42,468 were incurred in 2022 for rent and service charge of unused additional office space, to be refurbished in 2023. If these costs are excluded, underlying EBITDA for 2022 is £343,708.

7. EMPLOYEES

The average monthly number of employees, including directors, during the year was 42 (2021 - 30).

8. TAXATION

	2022	2021
	£	£
CORPORATION TAX		
Current tax on profits for the year	(27,706)	(12,461)
TOTAL CURRENT TAX	(27,706)	(12,461)
TAXATION ON LOSS ON ORDINARY ACTIVITIES	(27,706)	(12,461)

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% (2021 - 19%).

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are unrecognised tax losses available to offset against future taxable profits of £3,004,250 (2021: £2,839,152).

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FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9. INTANGIBLE ASSETS

	Cell lines £	Patents £	Total £
COST			
At 1 January 2022	67,213	123,196	190,409
Additions	9,551	12,035	21,586
At 31 December 2022	76,764	135,231	211,995
AMORTISATION			
At 1 January 2022	31,151	28,552	59,703
Charge for the year on owned assets	5,547	12,961	18,508
At 31 December 2022	36,698	41,513	78,211
NET BOOK VALUE			
At 31 December 2022	40,066	93,718	133,784
At 31 December 2021	36,062	94,644	130,706

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

10. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 January 2022	546,607	1,646,719	26,253	53,097	2,272,676
Additions	42,673	498,457	16,768	22,385	580,283
Disposals	-	-	(989)	(398)	(1,387)
At 31 December 2022	589,280	2,145,176	42,032	75,084	2,851,572
DEPRECIATION					
At 1 January 2022	18,137	338,469	5,917	23,530	386,053
Charge for the year on owned assets	55,884	244,601	12,508	19,802	332,795
Disposals	-	-	(989)	(356)	(1,345)
At 31 December 2022	74,021	583,070	17,436	42,976	717,503
NET BOOK VALUE					
At 31 December 2022	515,259	1,562,106	24,596	32,108	2,134,069
At 31 December 2021	528,470	1,308,250	20,336	29,567	1,886,623

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2022	100
At 31 December 2022	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 2022.

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

12. DEBTORS

	2022	2021
	£	£
Trade debtors	509,839	456,721
Amounts owed by group undertakings	200	100
Other debtors	74,140	57,839
Prepayments and accrued income	427,259	298,345
Tax recoverable	122,059	101,785
	1,133,497	914,790

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	416,297	331,917
Other taxation and social security	50,483	42,798
Other creditors	203,708	100,742
Accruals and deferred income	380,619	456,188
	1,051,107	931,645

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 £25,650 (2021 - £15,230) were due to the fund, which are included within other creditors.

METRION BIOSCIENCES LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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

	2022	2021
	£	£
Other creditors	412,679	282,655
	412,679	282,655

15. SHARE CAPITAL

	2022	2021
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
540,674 (2021 - 536,921) Ordinary shares of £0.01 each	5,406.74	5,369.21
247,525 (2021 - 247,525) A Ordinary shares of £0.01 each	2,475.25	2,475.25
247,525 (2021 - 247,525) A Preference shares of £0.01 each	2,475.25	2,475.25
99 (2021 - 99) Deferred shares of £0.01 each	0.99	0.99
	10,358.23	10,320.70

During the year, the company issued 3,753 Ordinary shares of £0.01 each as a result of the exercise of share options at a price of £1.50 per share.

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

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	512,528	322,620
Later than 1 year and not later than 5 years	2,912,440	1,176,752
Later than 5 years	2,566,031	-
	5,990,999	1,499,372

17. TRANSACTIONS WITH DIRECTORS

There were no transactions with directors in the year.

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