

Company Registration No. 05495096 (England and Wales)

METRASENS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 APRIL 2022

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METRASENS LIMITED

COMPANY INFORMATION

Directors	S W Goodyear M Keene A R Newman M J Wooliscroft
Secretary	M J Wooliscroft
Company number	05495096
Registered office	Unit 8 Beauchamp Business Centre Sparrowhawk Close Malvern Worcestershire WR14 1GL
Auditor	RSM UK Audit LLP Chartered Accountants 14th Floor 20 Chapel Street Liverpool L3 9AG

METRASENS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 APRIL 2022

The directors are pleased to present the Strategic Report for the Metrasens Group for the 18 month period ended 30 April 2022.

Fair review of the business

The business recovered well following a difficult year during the Covid-19 pandemic. The Group's business and trading was significantly improved. Turnover increased to £21.6m (12 months to 31 October 2020: £8.8m) and profit after tax increased to £4.2m (12 months to 31 October 2020: loss after tax of £1.8m). It was a very successful 18 month period.

In the U.K. the Group had applied for and has been awarded new Government sponsored product development grants and loans. These were mainly from UK Innovate and approved projects totalled over £1.5m over the duration of the development. This support from UK funding sources has enabled Metrasens to focus on developing our current and future technology platforms, with the goal of retaining our technology leadership over the coming years.

Looking forward and turning to the year ending April 2023 financial year, the Group's sales have continued to grow, and turnover was at £10.1m at the half year point. The Group became profitable in 2021/2022 and this continues going into the second half of fiscal year ending April 2023. Trading conditions in our core markets has stabilised and we continue to expand our product portfolio penetrating new market areas.

We would like to thank our management team and all our staff and shareholders for their considerable support during 2021 and 2022.

Principal risks and uncertainties

The group plans to finance its operations mainly through cash generated from operations. The group has various financial instruments such as trade debtors and trade creditors. The main purpose of the cash is to maintain adequate resources for the group's operations. The group does not enter into derivative transactions.

Interest rate risk

The group seeks to deposit cash assets safely to minimise risk while maximising the interest received.

Liquidity risk

The group seeks to ensure it has sufficient liquidity available to meet foreseeable needs. Cash reserves minimise liquidity risk.

Currency risk

The group is exposed to translation and transaction foreign exchange risks. The group seeks to manage these risks by limiting exposure to foreign exchange fluctuation.

Credit risk

All customers who wish to trade on credit terms are subject to credit vetting procedures, and debtors are monitored on an ongoing basis.

Business risk

The group is exposed to COVID-19 related supply chain operating risks. The group seeks to manage these risks by various mechanisms including but not limited to strategic stock holdings and key supplier and employee relationships.

METRASENS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

Key performance indicators

The group's financial key performance indicators are as follows:

	2022	2020
Operating cycle ratios	Days	Days
Stock days	166	64
Receivable days	50	34
Payable days	(86)	(64)
	<hr/>	<hr/>
Working capital days	130	34
	<hr/>	<hr/>
	2022	2020
Profitability ratios	%	%
Turnover growth/(decline)	64	(25)
Gross profit margin	68	53
	<hr/>	<hr/>

On behalf of the board

Simon Goodyear

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S W Goodyear
Director

Date: 27 April 2023

METRASENS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 APRIL 2022

The directors present their annual report and financial statements for the period ended 30 April 2022.

Principal activities

The principal activity of the company and group continued to be the provision of advanced ferromagnetic detection system technologies.

The current period is for the 18 months ended 30 April 2022. The prior year accounts cover the 12 months ended 31 October 2020, therefore the periods are not directly comparable.

Results and dividends

The results for the period are set out on page 9.

No ordinary dividends were paid (2020: £nil). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

S W Goodyear
M Keene
A R Newman
M J Wooliscroft
L H N Kinet

(Resigned 28 February 2022)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Research and development

Research and development activities at Metrasens are aimed at innovating and developing new products and technologies to help make the world a safer place. Metrasens continues to support in market products with enhanced capabilities as well as developing new generations of advanced products. Development costs amounting to £1,681,259 (2020: £974,876) were capitalised in the period.

Auditor

RSM UK Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

METRASENS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

Going concern

The Directors believe that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The Directors took action at the start of & during the pandemic to conserve and raise cash in order to support the Group's position as a going concern (detailed in October 2020 Audited Financial Statements). As a result of the actions taken by the Directors, positive cash balances were maintained throughout this audited period and beyond.

As part of considering going concern, the Directors have prepared a P&L, balance sheet & cash flow forecast extending to April 2024. The Directors have carried out stress testing and sensitivity analysis, modelling the impact of disrupted cash flows driven by adverse order flow. Serviceability of and/or limited contact with customers (given the current pandemic restrictions, or lack of, this is deemed to be unlikely). The forecasting modelling performed demonstrates that the group can continue as a going concern.

The Directors have closely monitored the cash position throughout the pandemic era and the business continues to negotiate as needed any options for banking or other credit facilities to support future working capital needs. The Directors have a reasonable expectation that the group has sufficient resources to continue in operation for the foreseeable future and that, for this reason, the Directors consider the adoption of the going concern basis of accounting in preparing the financial statements is appropriate.

Matters covered in the strategic report

Details of the business review and future developments, principal risks and uncertainties and the key performance indicators can be found in the group strategic report.

On behalf of the board

Simon Goodyear

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S W Goodyear

Director

Date: 27 April 2023

METRASENS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 30 APRIL 2022

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRASENS LIMITED

Opinion

We have audited the financial statements of Metrasens Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 April 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent company's affairs as at 30 April 2022 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group's or the parent 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRASENS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METRASENS LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and reviewing tax computations prepared by tax specialists.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and testing of the revenue cycle and the recognition of a sample of revenue items with reference to the relevant contractual and shipping documentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's 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 auditor's 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.

gBond

Graham Bond FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG
27 April 2023

METRASENS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 APRIL 2022

	Notes	Period ended 30 April 2022 £	Year ended 31 October 2020 £
Turnover	3	21,647,061	8,783,999
Cost of sales		(6,963,133)	(4,151,213)
Gross profit		14,683,928	4,632,786
Administrative expenses		(12,979,893)	(6,809,357)
Other operating income	3	1,684,738	446,650
Operating profit/(loss)	6	3,388,773	(1,729,921)
Included within other operating income:			
Loan forgiveness	3	1,013,093	-
Operating profit/(loss) before loan forgiveness		2,375,680	(1,729,921)
Interest receivable and similar income	8	121	49
Interest payable and similar expenses	9	(25,893)	-
Profit/(loss) before taxation		3,363,001	(1,729,872)
Tax credit/(expense)	10	833,946	(34,498)
Profit/(loss) for the financial period		4,196,947	(1,764,370)
Other comprehensive income net of taxation			
Currency translation differences		81,634	106,023
Total comprehensive income/(expense) for the period		4,278,581	(1,658,347)

Profit/(loss) for the financial period is all attributable to the owners of the parent company.

Total comprehensive income/(expense) for the period is all attributable to the owners of the parent company.

METRASENS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022**

	Notes	30 April 2022		31 October 2020	
		£	£	£	£
Fixed assets					
Intangible assets	11		3,524,462		2,339,141
Tangible assets	12		176,686		191,888
			<u>3,701,148</u>		<u>2,531,029</u>
Current assets					
Stocks	15	2,119,381		781,132	
Debtors	16	3,672,230		1,197,585	
Cash at bank and in hand		2,696,155		937,493	
			<u>8,487,766</u>		<u>2,916,210</u>
Creditors: amounts falling due within one year	17	(3,288,221)		(2,292,843)	
Net current assets			<u>5,199,545</u>		<u>623,367</u>
Total assets less current liabilities			<u>8,900,693</u>		<u>3,154,396</u>
Creditors: amounts falling due after more than one year	18		(1,188,649)		(318,632)
Provisions for liabilities	20		(82,478)		(20,620)
Net assets			<u><u>7,629,566</u></u>		<u><u>2,815,144</u></u>
Capital and reserves					
Called up share capital	22		799		752
Share premium account	23		8,300,099		7,764,305
Profit and loss reserves	23		(671,332)		(4,949,913)
Total equity			<u><u>7,629,566</u></u>		<u><u>2,815,144</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 April 2023 and are signed on its behalf by:

Simon Goodyear

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S W Goodyear
Director

METRASENS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2022**

	Notes	30 April 2022		31 October 2020	
		£	£	£	£
Fixed assets					
Intangible assets	11	3,524,462		2,339,141	
Tangible assets	12	159,508		168,000	
Investments	13	612		612	
			<u>3,684,582</u>		<u>2,507,753</u>
Current assets					
Stocks	15	1,590,695		581,159	
Debtors	16	4,859,911		6,722,841	
Cash at bank and in hand		2,397,252		487,905	
			<u>8,847,858</u>		<u>7,791,905</u>
Creditors: amounts falling due within one year	17	<u>(1,692,307)</u>		<u>(1,135,688)</u>	
Net current assets			<u>7,155,551</u>		<u>6,656,217</u>
Total assets less current liabilities			<u>10,840,133</u>		<u>9,163,970</u>
Creditors: amounts falling due after more than one year	18		<u>(1,188,649)</u>		<u>(157,479)</u>
Provisions for liabilities	20		<u>(82,478)</u>		<u>(20,620)</u>
Net assets			<u><u>9,569,006</u></u>		<u><u>8,985,871</u></u>
Capital and reserves					
Called up share capital	22		799		752
Share premium account	23		8,300,099		7,764,305
Profit and loss reserves	23		1,268,108		1,220,814
Total equity			<u><u>9,569,006</u></u>		<u><u>8,985,871</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the period was £47,294 (2020 - £395,737 profit).

The financial statements were approved by the board of directors and authorised for issue on 27/04/23 and are signed on its behalf by:

Simon Goodyear

S W Goodyear
Director

METRASENS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 APRIL 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 November 2019		752	7,761,787	(3,291,566)	4,470,973
Year ended 31 October 2020:					
Loss for the year		-	-	(1,764,370)	(1,764,370)
Other comprehensive income net of taxation:					
Currency translation differences		-	-	106,023	106,023
Total comprehensive income for the year		-	-	(1,658,347)	(1,658,347)
Issue of share capital	22	-	2,518	-	2,518
Balance at 31 October 2020		752	7,764,305	(4,949,913)	2,815,144
Period ended 30 April 2022:					
Profit for the period		-	-	4,196,947	4,196,947
Other comprehensive income net of taxation:					
Currency translation differences		-	-	81,634	81,634
Total comprehensive income for the period		-	-	4,278,581	4,278,581
Issue of share capital	22	47	535,794	-	535,841
Balance at 30 April 2022		799	8,300,099	(671,332)	7,629,566

METRASENS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 APRIL 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 November 2019		752	7,761,787	825,077	8,587,616
Year ended 31 October 2020:					
Profit and total comprehensive income for the year		-	-	395,737	395,737
Issue of share capital	22	-	2,518	-	2,518
Balance at 31 October 2020		752	7,764,305	1,220,814	8,985,871
Period ended 30 April 2022:					
Profit and total comprehensive income for the period		-	-	47,294	47,294
Issue of share capital	22	47	535,794	-	535,841
Balance at 30 April 2022		799	8,300,099	1,268,108	9,569,006

METRASENS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 APRIL 2022

	Notes	2022 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	24	1,375,853		885,055	
Interest paid		(25,893)		-	
Income taxes refunded		21,594		29,131	
Net cash inflow from operating activities		1,371,554		914,186	
Investing activities					
Capitalisation of development costs		(1,681,259)		(974,876)	
Purchase of tangible fixed assets		(112,441)		(116,276)	
Proceeds on disposal of tangible fixed assets		3,550		9,572	
Interest received		121		49	
Net cash used in investing activities		(1,790,029)		(1,081,531)	
Financing activities					
Proceeds from issue of shares		535,841		2,518	
Proceeds from borrowings		1,576,555		-	
Repayment of bank loans		(16,666)		551,778	
Net cash generated from financing activities		2,095,730		554,296	
Net increase in cash and cash equivalents		1,677,255		386,951	
Cash and cash equivalents at beginning of period		937,493		550,542	
Effect of foreign exchange rates		81,407		-	
Cash and cash equivalents at end of period		2,696,155		937,493	

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2022

1 Accounting policies

Company information

Metrasens Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 8, Beauchamp Business Centre, Sparrowhawk Close, Malvern, Worcestershire, WR14 1GL.

The group consists of Metrasens Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Metrasens Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

1 Accounting policies (Continued)

Going concern

The Directors believe that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The Directors took action at the start of & during the pandemic to conserve and raise cash in order to support the Group's position as a going concern (detailed in October 2020 Audited Financial Statements). As a result of the actions taken by the Directors, positive cash balances were maintained throughout this audited period and beyond.

As part of considering going concern, the Directors have prepared a P&L, balance sheet & cash flow forecast extending to April 2024. The Directors have carried out stress testing and sensitivity analysis, modelling the impact of disrupted cash flows driven by adverse order flow. Serviceability of and/or limited contact with customers (given the current pandemic restrictions, or lack of, this is deemed to be unlikely). The forecasting modelling performed demonstrates that the group can continue as a going concern.

The Directors have closely monitored the cash position throughout the pandemic era and the business continues to negotiate as needed any options for banking or other credit facilities to support future working capital needs. The Directors have a reasonable expectation that the group has sufficient resources to continue in operation for the foreseeable future and that, for this reason, the Directors consider the adoption of the going concern basis of accounting in preparing the financial statements is appropriate.

Reporting period

The current period is for the 18 months ended 30 April 2022. The prior year accounts cover the 12 months ended 31 October 2020. Therefore the periods are not directly comparable.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of maintenance services is recognised on a straight line basis over the period of the contract. Amounts invoiced in advance of the services provided are included in deferred income.

Research and development expenditure

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Intangible fixed assets other than goodwill

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

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

1 Accounting policies (Continued)

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

Patents and licences	Straight line basis over 5 years
Development costs	Straight line basis over 5 years

Tangible fixed assets

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

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

Leasehold improvements	Straight line over the period of lease
Plant and equipment	33% straight line
Fixtures and fittings	25% straight line
Motor vehicles	33% straight line
Demonstration instruments and transfer equipment	33% straight line

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

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, an assessment is made for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

1 Accounting policies (Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

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

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

The parent company operates an EMI share option scheme. No charge is made to this company in respect of the fair value of options granted on the grounds that it is immaterial. See note 22 for details of options granted.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

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

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

Foreign exchange

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

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

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

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Development costs

The company has a policy to capitalise development costs when certain criteria are met which involves judgement around the technical feasibility of completing the asset, the ability to sell it and the future economic benefits to be generated. Estimation is also involved in allocating the depreciable amounts of the intangible assets arising over their useful life.

3 Turnover and other revenue

	2022	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	1,110,265	421,422
Rest of the world	20,536,796	8,362,577
	<u>21,647,061</u>	<u>8,783,999</u>
	<u><u>2022</u></u>	<u><u>2020</u></u>
	£	£
Other operating income		
Grants received	589,798	396,007
Research and development tax credits	80,234	50,643
Sundry income	1,613	-
Loan forgiveness	1,013,093	-
	<u>1,684,738</u>	<u>446,650</u>

The whole of the turnover is attributable to the group's principal activity.

In the prior year, the group received a COVID-19 relief loan. The paycheck protection program loan was forgiven in current year and has been recognised in other operating income (£1,013,093).

4 Employees

The average monthly number of persons (including directors) employed during the period was:

	Group		Company	
	2022	2020	2022	2020
	Number	Number	Number	Number
Administration and finance	<u>81</u>	<u>65</u>	<u>47</u>	<u>36</u>

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

4 Employees (Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2022	2020	2022	2020
	£	£	£	£
Wages and salaries	10,114,182	5,663,945	4,149,112	2,244,692
Social security costs	846,602	460,502	482,833	253,684
Pension costs	96,398	60,590	85,436	60,590
	<u>11,057,182</u>	<u>6,185,037</u>	<u>4,717,381</u>	<u>2,558,966</u>

5 Directors' remuneration

	2022	2020
	£	£
Remuneration for qualifying services	827,789	574,516
Company pension contributions to defined contribution schemes	7,704	9,572
	<u>835,493</u>	<u>584,088</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2020
	£	£
Remuneration for qualifying services	443,603	327,008
Company pension contributions to defined contribution schemes	2,430	-
	<u>446,033</u>	<u>327,008</u>

During the year retirement benefits were accruing to for 3 directors (2020: 3) in respect of defined contribution pension schemes.

6 Operating profit/(loss)

	2022	2020
	£	£
Operating profit/(loss) for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	403,008	(72,306)
Depreciation of owned tangible fixed assets	123,409	147,169
Loss on disposal of tangible fixed assets	910	701
Amortisation of intangible assets	495,938	581,763
Stocks impairment losses recognised	-	152,612
Operating lease charges	<u>263,287</u>	<u>181,360</u>

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

7 Auditor's remuneration	2022	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	36,500	34,500
Audit of the financial statements of the company's subsidiaries	16,000	14,000
	<u>52,500</u>	<u>48,500</u>
8 Interest receivable and similar income	2022	2020
	£	£
Interest on financial assets not measured at fair value through profit or loss		
Interest on bank deposits	121	49
	<u>121</u>	<u>49</u>
9 Interest payable and similar expenses	2022	2020
	£	£
Interest on bank overdrafts and loans	540	-
Other interest on financial liabilities	22,103	-
Other interest	3,250	-
	<u>25,893</u>	<u>-</u>
Total finance costs		
	<u>25,893</u>	<u>-</u>
10 Taxation	2022	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	(267,175)	164,694
Adjustments in respect of prior periods	(328,240)	(140,107)
	<u>(595,415)</u>	<u>24,587</u>
Total UK current tax		
	<u>(595,415)</u>	<u>24,587</u>
Foreign current tax on profits for the current period	74,009	-
	<u>74,009</u>	<u>-</u>
Total current tax		
	<u>(521,406)</u>	<u>24,587</u>
Deferred tax		
Origination and reversal of timing differences	(312,540)	9,911
	<u>(312,540)</u>	<u>9,911</u>
Total tax (credit)/charge		
	<u>(833,946)</u>	<u>34,498</u>

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

10 Taxation (Continued)

The total tax (credit)/charge for the period included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2022 £	2020 £
Profit/(loss) before taxation	3,363,001	(1,729,872)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	638,970	(328,676)
Tax effect of expenses that are not deductible in determining taxable profit	(23,803)	83,169
Tax effect of income not taxable in determining taxable profit	(118,568)	-
Tax effect of utilisation of tax losses not previously recognised	(522,031)	-
Change in unrecognised deferred tax assets	(263,465)	-
Adjustments in respect of prior years	(328,240)	(140,107)
Research and development tax credit	(236,479)	-
Deferred tax adjustments in respect of prior years	102,198	-
Fixed asset differences	2,361	24,647
Deferred tax not recognised	-	395,465
Remeasurement of deferred tax for change in tax rates	(91,938)	-
Other short term timing differences (including overseas tax)	7,049	-
Taxation (credit)/charge	(833,946)	34,498

Factors that may affect future tax charges

On 3 March 2021, the UK Government announced an increase in the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

11 Intangible fixed assets

Group	Patents and licences £	Development costs £	Total £
Cost			
At 1 November 2020	750,551	2,873,775	3,624,326
Additions - internally developed	-	1,681,259	1,681,259
At 30 April 2022	<u>750,551</u>	<u>4,555,034</u>	<u>5,305,585</u>
Amortisation and impairment			
At 1 November 2020	410,807	874,378	1,285,185
Amortisation charged for the period	193,224	302,714	495,938
At 30 April 2022	<u>604,031</u>	<u>1,177,092</u>	<u>1,781,123</u>
Carrying amount			
At 30 April 2022	<u>146,520</u>	<u>3,377,942</u>	<u>3,524,462</u>
At 31 October 2020	<u>339,744</u>	<u>1,999,397</u>	<u>2,339,141</u>
Company			
	Patents and licences £	Development costs £	Total £
Cost			
At 1 November 2020	750,551	2,873,775	3,624,326
Additions - internally developed	-	1,681,259	1,681,259
At 30 April 2022	<u>750,551</u>	<u>4,555,034</u>	<u>5,305,585</u>
Amortisation and impairment			
At 1 November 2020	410,807	874,378	1,285,185
Amortisation charged for the period	193,224	302,714	495,938
At 30 April 2022	<u>604,031</u>	<u>1,177,092</u>	<u>1,781,123</u>
Carrying amount			
At 30 April 2022	<u>146,520</u>	<u>3,377,942</u>	<u>3,524,462</u>
At 31 October 2020	<u>339,744</u>	<u>1,999,397</u>	<u>2,339,141</u>

Amortisation on intangible assets is charged to administrative expenses.

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

12 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Motor vehicles	Demonstration instruments and transfer equipment	Total
	£	£	£	£	£	£
Cost						
At 1 November 2020	151,609	69,306	116,703	11,171	122,594	471,383
Additions	28,512	17,352	64,943	-	1,634	112,441
Disposals	-	-	(14,655)	-	(116,686)	(131,341)
Transfers	-	-	7,542	-	(7,542)	-
Exchange adjustments	300	290	3,210	357	-	4,157
At 30 April 2022	180,421	86,948	177,743	11,528	-	456,640
Depreciation and impairment						
At 1 November 2020	71,221	3,520	78,918	8,689	117,147	279,495
Depreciation charged in the period	46,506	27,313	47,219	2,371	-	123,409
Eliminated in respect of disposals	-	-	(11,848)	-	(115,032)	(126,880)
Transfers	-	-	2,115	-	(2,115)	-
Exchange adjustments	535	43	2,884	468	-	3,930
At 30 April 2022	118,262	30,876	119,288	11,528	-	279,954
Carrying amount						
At 30 April 2022	62,159	56,072	58,455	-	-	176,686
At 31 October 2020	80,388	65,786	37,785	2,482	5,447	191,888

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

12 Tangible fixed assets (Continued)

Company	Leasehold improvements	Plant and equipment	Fixtures and fittings	Demonstration instruments and transfer equipment	Total
	£	£	£	£	£
Cost					
At 1 November 2020	148,614	68,491	55,429	32,855	305,389
Additions	28,512	17,352	49,386	1,634	96,884
Disposals	-	-	(14,655)	(26,947)	(41,602)
Transfers	-	-	7,542	(7,542)	-
At 30 April 2022	177,126	85,843	97,702	-	360,671
Depreciation and impairment					
At 1 November 2020	70,749	2,657	36,556	27,427	137,389
Depreciation charged in the period	45,591	27,114	28,229	-	100,934
Eliminated in respect of disposals	-	-	(11,848)	(25,312)	(37,160)
Transfers	-	-	2,115	(2,115)	-
At 30 April 2022	116,340	29,771	55,052	-	201,163
Carrying amount					
At 30 April 2022	60,786	56,072	42,650	-	159,508
At 31 October 2020	77,865	65,834	18,873	5,428	168,000

13 Fixed asset investments

	Notes	Group 2022 £	2020 £	Company 2022 £	2020 £
Investments in subsidiaries	14	-	-	612	612

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 November 2020 and 30 April 2022	612
Carrying amount	
At 30 April 2022	612
At 31 October 2020	612

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

14 Subsidiaries

Details of the company's subsidiaries at 30 April 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Metrasens Inc	2150 Western Ct Ste 360 Lisle, IL 60532-1973, United States	Ordinary	100.00

15 Stocks

	Group 2022 £	2020 £	Company 2022 £	2020 £
Finished goods and goods for resale	2,119,381	781,132	1,590,695	581,159

The difference between purchase price or production cost of stocks and their replacement cost is not material.

An impairment charge of £70,000 (2020: £152,612) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

16 Debtors

	Group 2022 £	2020 £	Company 2022 £	2020 £
Amounts falling due within one year:				
Trade debtors	2,001,110	813,000	434,514	154,639
Corporation tax recoverable	537,032	37,220	611,041	52,730
Amounts owed by group undertakings	-	-	3,128,088	6,284,110
Other debtors	645,813	276,921	645,813	160,918
Prepayments and accrued income	113,877	70,444	40,455	70,444
	<u>3,297,832</u>	<u>1,197,585</u>	<u>4,859,911</u>	<u>6,722,841</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 20)	374,398	-	-	-
	<u>3,672,230</u>	<u>1,197,585</u>	<u>4,859,911</u>	<u>6,722,841</u>

An impairment loss of £2,890 (2020: £13,023) was recognised against trade debtors.

Included within other debtors are grants receivable of £376,648 (2020: £75,589).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2022

17 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2020 £	Company 2022 £	2020 £
Bank loans	19	10,000	3,548	10,000	3,548
Other borrowings	19	-	335,149	-	-
Trade creditors		1,099,885	578,403	957,178	390,492
Other taxation and social security		155,485	55,614	123,104	54,191
Other creditors		192,556	874,276	101,583	547,590
Accruals and deferred income		1,830,295	445,853	500,442	139,867
		<u>3,288,221</u>	<u>2,292,843</u>	<u>1,692,307</u>	<u>1,135,688</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2020 £	Company 2022 £	2020 £
Bank loans	19	31,667	46,452	31,667	46,452
Other borrowings	19	1,051,431	161,153	1,051,431	-
Other creditors		105,551	111,027	105,551	111,027
		<u>1,188,649</u>	<u>318,632</u>	<u>1,188,649</u>	<u>157,479</u>

Within other creditors is £105,551 (2020: £225,551) relating to the purchase of an intellectual property under an IP assignment agreement.

19 Borrowings

	Group 2022 £	2020 £	Company 2022 £	2020 £
Bank loans	41,667	50,000	41,667	50,000
Other loans	1,051,431	496,302	1,051,431	-
	<u>1,093,098</u>	<u>546,302</u>	<u>1,093,098</u>	<u>50,000</u>
Payable within one year	10,000	338,697	10,000	3,548
Payable after one year	1,083,098	207,605	1,083,098	46,452

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

19 Borrowings (Continued)

On 16 June 2020, the group entered into a bounceback loan agreement with an interest rate of 2.5%. As at 30 April 2022, £41,667 (2020: £50,000) was outstanding. The loan is repayable within 6 years from drawdown of the loan.

On 27 October 2020, the group entered into a innovation continuity loan agreement, with a maximum loan facility of £393,000 at an interest rate of 7.4%. As at 30 April 2022, £293,492 (2020: £nil) had been utilised. The loan is repayable within 7 years of the agreement date and is secured against the assets of the company.

On 16 March 2021, the group entered into another innovation continuity loan agreement, with a maximum loan facility of £1,078,081 at an interest rate of 7.4%. As at 30 April 2022, £757,939 (2020: £nil) had been utilised. The loan is repayable within 7 years of the agreement date and is secured against the assets of the company.

Included within Other loans was a loan totalling £496,302 received under the paycheck protection program on 16 April 2020. During the year, the group was legally released as primary obligor following the approval of the group's forgiveness application, meaning the debt was extinguished and a credit of £496,302 recognised in the income statement (see Note 3).

A further £516,791 was received in the year under the paycheck protection programme, for which the group was also released as primary obligor following approval of the group's forgiveness application, resulting in the debt extinguished and a further £516,791 recognised in the income statement.

20 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2022	Liabilities 2020	Assets 2022	Assets 2020
Group	£	£	£	£
Accelerated capital allowances	333,422	20,984	-	-
Tax losses	(248,077)	-	374,398	-
Short term timing differences	(2,867)	(364)	-	-
	<u>82,478</u>	<u>20,620</u>	<u>374,398</u>	<u>-</u>

	Liabilities 2022	Liabilities 2020	Assets 2022	Assets 2020
Company	£	£	£	£
Accelerated capital allowances	333,422	20,984	-	-
Tax losses	(248,077)	-	-	-
Short term timing differences	(2,867)	(364)	-	-
	<u>82,478</u>	<u>20,620</u>	<u>-</u>	<u>-</u>

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2022

20 Deferred taxation (Continued)

	Group 2022 £	Company 2022 £
Movements in the period:		
Liability at 1 November 2020	20,620	20,620
(Credit)/charge to profit or loss	(312,540)	61,858
Liability/(Asset) at 30 April 2022	<u>(291,920)</u>	<u>82,478</u>

21 Retirement benefit schemes

	2022 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>96,398</u>	<u>60,590</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £11,468 (2020: £nil) were payable to the fund at the reporting date.

22 Share capital

	Group and Company			
	2022 Number	2020 Number	2022 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 0.1p each	309,559	288,649	308	288
Ordinary A shares of 0.1p each	41,810	41,810	42	42
Ordinary B shares of 0.1p each	108,774	108,774	109	109
Ordinary B1 shares of 0.1p each	45,625	45,625	46	46
Ordinary C shares of 0.1p each	293,712	267,540	294	267
	<u>799,480</u>	<u>752,398</u>	<u>799</u>	<u>752</u>

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

22 Share capital (Continued)

All classes of ordinary shares have voting rights. The shares rank pari passu in all respects. The articles of association outline the specific procedures and order of distribution for all classes of shares upon winding up or in the event of a sale.

On 23 November 2020, 24,148 Ordinary C shares were issued for proceeds of £425,005.

A further 2,024 Ordinary C shares were issued for proceeds of £35,622 on 29 April 2021.

On the same date, 20,910 Ordinary shares were issued for proceeds of £75,214.

The company has previously granted ordinary shares options to certain directors and employees.

The group has taken advantage of the transitional reliefs available under FRS 102 to not account for share options granted before the date of transition being 1 November 2016.

The group has assessed the impact of the ordinary shares options granted during the year ended 31 October 2020 and management have concluded that the financial impact of these options is immaterial.

Details of the share options included during the period are as follows:

Number of share options granted outstanding at the beginning of the period: 117,920

Number of share options granted in the period: 20,780

Number of share options exercised in the period: (20,910)

Number of share options lapsed in the year: (20,925)

Number of share options granted outstanding at the period end: 98,865

Number of share options exercisable at the period end: 69,674

Exercise price: £3.28

23 Reserves

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

Comprises translation differences arising from the translation of financial statements of the group's foreign entities into Sterling (£).

Profit and loss reserves

Includes all current and prior period retained profits and losses.

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

24 Cash generated from group operations

	2022	2020
	£	£
Profit/(loss) for the period after tax	4,196,947	(1,764,370)
Adjustments for:		
Taxation (credited)/charged	(833,946)	34,498
Finance costs	25,893	-
Investment income	(121)	(49)
Loan forgiveness	(1,013,093)	-
Loss on disposal of tangible fixed assets	910	3,618
Amortisation and impairment of intangible assets	495,938	581,763
Depreciation and impairment of tangible fixed assets	123,409	147,169
Movements in working capital:		
(Increase)/decrease in stocks	(1,338,249)	340,329
(Increase)/decrease in debtors	(1,600,434)	1,143,213
Increase in creditors	1,318,599	398,884
Cash generated from operations	<u>1,375,853</u>	<u>885,055</u>

25 Analysis of changes in net funds - group

	1 November 2020	Cash flows	Other non- cash changes	30 April 2022
	£	£	£	£
Cash at bank and in hand	937,493	1,758,662	-	2,696,155
Borrowings excluding overdrafts	(546,302)	(1,559,889)	1,013,093	(1,093,098)
	<u>391,191</u>	<u>198,773</u>	<u>1,013,093</u>	<u>1,603,057</u>

Other non-cash changes relate to the payment protection program loan forgiveness during the period (see note 19).

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022	2020	Company 2022	2020
	£	£	£	£
Within one year	123,679	185,106	35,574	45,626
Between one and five years	141,256	369,038	66,500	31,962
	<u>264,935</u>	<u>554,144</u>	<u>102,074</u>	<u>77,588</u>

METRASENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2022

27 Events after the reporting date

On 6 July 2022, 1000 Ordinary shares were issued for proceeds of £3,276.

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2022 £	2020 £
Aggregate compensation	<u>887,317</u>	<u>1,130,488</u>

Transactions with related parties

During the period, sales of £nil (2020: £84,993) were made to Owlstone Medical Limited, an entity with a common board member. No amounts were outstanding as at the period end (2020: £nil).

An individual who is a shareholder and with significant influence over the company, also controls KDS Associates. During the period, purchases of £17,029 (2020: £nil) were made from the entity. As at the period end, an amount of £1,508 (2020: £nil) was included within creditors.

A board member with significant influence over the company also controls C5. During the period, purchases were made of £22,500 (2020: £nil) in respect of monitoring fees. As at the period end, £4,500 (2020: £nil) was outstanding and included within creditors.

The company has taken advantage of the exemption conferred by FRS102 Section 33 to disclose translations with other wholly members of the group.

29 Controlling party

The directors consider the group and company to have no single controlling party.