

Registered number: 07059290

**Mettrac Limited**

**Unaudited**

**Financial statements**

**Information for filing with the registrar**

**For the year ended 31 October 2022**

**Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Metrarc Limited for the year ended 31 October 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Metrarc Limited for the year ended 31 October 2022 which comprise the Balance sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [https://www.icaew.com /regulation](https://www.icaew.com/regulation).

This report is made solely to the Board of directors of Metrarc Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Metrarc Limited and state those matters that we have agreed to state to the Board of directors of Metrarc Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Metrarc Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Metrarc Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Metrarc Limited. You consider that Metrarc Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Metrarc Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**Kreston Reeves LLP**  
Chartered Accountants  
Montague Place  
Quayside  
Chatham Maritime  
Chatham  
Kent  
ME4 4QU  
28 July 2023

**Balance sheet**  
**As at 31 October 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible Fixed Assets	4	415	404
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	938	2,358
Bank & cash balances		83,019	71,949
		<b>83,957</b>	74,307
Creditors: amounts falling due within one year	6	(108,727)	(106,695)
<b>Net current liabilities</b>		<b>(24,770)</b>	(32,388)
<b>Total assets less current liabilities</b>		<b>(24,355)</b>	(31,984)
Creditors: amounts falling due after more than one year	7	(60,000)	(60,000)
<b>Net liabilities</b>		<b>(84,355)</b>	(91,984)
<b>Capital and reserves</b>			
Called up share capital	8	120	120
Profit and loss account		(84,475)	(92,104)
		<b>(84,355)</b>	(91,984)

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The 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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

**Prof K D McDonald-Maier**

Director

Date: 28 July 2023

The notes on pages 3 to 7 form part of these financial statements.

**Notes to the financial statements**  
**For the year ended 31 October 2022**

**1. General information**

Metarc Limited is a private company limited by shares and is incorporated in England & Wales. The address of the registered office is 37 St Margaret's Street, Canterbury, Kent, CT1 2TU.

**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 financial statements have been prepared on a going concern basis.

The company has secured grant funding to support the research work being carried out and has been supported by the Directors. The convertible preference shares will be converted to ordinary shares once the conditions are met. Taking into account all these factors, the directors consider it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustment that would arise from the withdrawal of this support.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 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.

**Notes to the financial statements**  
**For the year ended 31 October 2022**

**2. Accounting policies (continued)**

**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Office equipment	-	25%
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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.

**2.5 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.

**2.6 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.

**2.7 Financial instruments**

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

**Basic financial assets**

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

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Financial liabilities**

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

**Notes to the financial statements**  
**For the year ended 31 October 2022**

**2. Accounting policies (continued)**

**2.7 Financial instruments (continued)**

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**2.8 Creditors**

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

**2.9 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 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.

**2.11 Borrowing costs**

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

**2.12 Convertible debt**

The proceeds received on issue of the Company's convertible debt are allocated into their liability and equity components and presented separately in the Balance sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

**Notes to the financial statements**  
**For the year ended 31 October 2022**

**3. Employees**

The average monthly number of employees, including directors, during the year was 9 (2021 - 9).

**4. Tangible fixed assets**

	<b>Office equipment £</b>
<b>Cost or valuation</b>	
At 1 November 2021	3,463
Additions	142
At 31 October 2022	<u>3,605</u>
<b>Depreciation</b>	
At 1 November 2021	3,059
Charge for the year on owned assets	131
At 31 October 2022	<u>3,190</u>
<b>Net book value</b>	
At 31 October 2022	<u><u>415</u></u>
At 31 October 2021	<u><u>404</u></u>

**5. Debtors**

	<b>2022 £</b>	<b>2021 £</b>
Other debtors	<u><u>938</u></u>	<u><u>2,358</u></u>

**Notes to the financial statements**  
**For the year ended 31 October 2022**

**6. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Other loans	54,833	52,683
Other taxation and social security	898	797
Other creditors	50,371	50,352
Accruals and deferred income	2,625	2,863
	<u>108,727</u>	<u>106,695</u>

A convertible loan of £50,000 plus accrued interest is shown in creditors. Interest is chargeable at 4% per annum. The Directors have concluded that the convertible loan should be reported in creditors in full as there is no fixed conversion date.

**7. Creditors: Amounts falling due after more than one year**

	2022 £	2021 £
Share capital treated as debt	80	80
Share premium treated as debt	59,920	59,920
	<u>60,000</u>	<u>60,000</u>

**8. Share capital**

	2022 £	2021 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,200 (2021 - 1,200) Ordinary shares of £0.10 each	<u>120</u>	<u>120</u>
	2022 £	2021 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
800 (2021 - 800) Convertible preference shares of £0.10 each	<u>80</u>	<u>80</u>

**9. Pension commitments**

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. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,591 (2021 - £907). Contributions totalling £151 (2021 - £151) were payable to the fund at the balance sheet date and are included in creditors.





This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.