

Registered number: 07059290

Mettrac Limited

Unaudited

Financial statements

Information for filing with the registrar

For the year ended 31 October 2021

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 2021

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 2021 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 loss 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
26 July 2022

Balance sheet
As at 31 October 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible Fixed Assets	4	404	539
Current assets			
Debtors: amounts falling due within one year	5	2,358	150
Bank & cash balances		71,949	73,434
		74,307	73,584
Creditors: amounts falling due within one year	6	(106,695)	(105,810)
Net current liabilities		(32,388)	(32,226)
Total assets less current liabilities		(31,984)	(31,687)
Creditors: amounts falling due after more than one year	7	(60,000)	(60,000)
Net liabilities		(91,984)	(91,687)
Capital and reserves			
Called up share capital	8	120	120
Profit and loss account		(92,104)	(91,807)
		(91,984)	(91,687)

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: 26 July 2022

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

Notes to the financial statements
For the year ended 31 October 2021

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 2021

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

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 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.

Notes to the financial statements
For the year ended 31 October 2021

2. Accounting policies (continued)

2.10 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.

2.11 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.

3. Employees

The average monthly number of employees, including directors, during the year was 9 (2020 - 10).

Notes to the financial statements
For the year ended 31 October 2021

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 November 2020	3,463
At 31 October 2021	<u>3,463</u>
Depreciation	
At 1 November 2020	2,924
Charge for the year on owned assets	135
At 31 October 2021	<u>3,059</u>
Net book value	
At 31 October 2021	<u>404</u>
At 31 October 2020	<u>539</u>

5. Debtors

	2021 £	2020 £
Other debtors	<u>2,358</u>	<u>150</u>

6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	52,683	50,618
Other taxation and social security	797	2,883
Other creditors	50,352	50,403
Accruals and deferred income	2,863	1,906
	<u>106,695</u>	<u>105,810</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.

Notes to the financial statements
For the year ended 31 October 2021

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

	2021	2020
	£	£
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

	2021	2020
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
1,200 (2020 - 1,200) Ordinary shares of £0.10 each	<u>120</u>	<u>120</u>
	2021	2020
	£	£
Shares classified as debt		
Allotted, called up and fully paid		
800 (2020 - 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 £2,167 (2020 - £1,462). Contributions totalling £202 (2020 - £202) 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.