
METRASENS LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019



METRASENS LIMITED

COMPANY INFORMATION

Directors	S Goodyear M Keene L Kinet A Newman M Wooliscroft
Company secretary	M Wooliscroft
Registered number	05495096
Registered office	Unit 8 Beauchamp Business Centre Sparrowhawk Close Malvern Worcestershire WR14 1GL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditors The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT

METRASENS LIMITED

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METRASENS LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019**

Introduction

The directors present their strategic report for the year ended 31 October 2019.

Business review

I am pleased to present our Annual Report for the year ended 31 October 2019. It was another year of growth (8.2% revenue increase) in terms of customers, markets and countries served (during the last 3 years, growth has averaged 15%). The bottom-line loss, however, was disappointing to all and I will outline below the reasons for this and the actions the company took to readdress the cost/revenue balance and how we have right-sized the company.

Our core Markets, Corrections and MRI Safety had good growth. MRI Safety showed growth in both the US and international markets. In the US we had a strong increase in year over year orders, including large orders from several prestigious hospital networks. In international MRI Safety we had good growth in target territories. US Corrections also grew across all market segments.

The newer market verticals; Around 24 months ago we entered three new markets. In hindsight, we overstretched our limited resources and set ourselves too ambitious growth targets for the size and maturity of our product and sales teams and this led to our bottom line loss. Sales growth rates in two of the new markets was not at the rate that we had anticipated. The shortfall in performance against budgeted sales and the associated cost increases to support these market verticals is the reason that we lost money this year. Recognizing this in June, we made a number of changes to our cost base.

Although this year's trading performance was disappointing we have: a solid, repeatable £11.5m high gross margin business; an increasingly strong brand value in our core markets; a strong lead generation and inside/service sales team; we have launched 4 new products; we have 3 performing core market verticals and we have strengthened the products team to deliver on our full potential in our emerging market verticals; we have a world class manufacturing facility; and we have a strong patent portfolio (21 patent families). We are ready to build the future.

Our Technology developments were given a massive boost (in terms of enhanced credibility and funding) through the award of two important government Grants. The work undertaken with these grants will support our vision for the future whereby our customers will be able to introduce extra layers of safety and security not available from any other company. Our core technology offers us enormous growth opportunities in a number of large, important markets.

We are currently a Global Leader in screening people at facilities in 63 countries. We believe that we have an exciting future at Metrasens.

As we look to the future, I would like to express gratitude, on behalf of the Board and Company advisors, to those who have enabled us to reach this point. In particular, I would like to thank our senior management team and all our staff and shareholders for their ongoing support. Metrasens now has the market opportunities, the products and technology to build a company of significant value. With the strengthening of the financial foundations and long-term growth drivers showing no signs of abating, we look forward to delivering significant shareholder value in the years ahead.

Since March 2020, Metrasens has been affected by the impact of Covid19. The company reacted positively to working from home, travel restrictions and reduced customer access by moving to alternative selling models versus traditional face-to-face. The US Corrections division revenue has been impacted the most in 2020, driven by the Corrections segment prioritising inmate management during the epidemic thus we saw delays to capital procurement decisions. Metrasens focused on cash management and cost containment including for example the benefit of reduced travel expenses as a result of Covid19.

METRASENS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019**

Principal risks and uncertainties

The group plans to finance its operations mainly through cash. 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.

The board reviews and agrees policies for managing each of the following risks;

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.

Financial key performance indicators

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

	2019	2018
	Days	Days
Operating cycle ratios		
Stock days	146	158
Receivable days	54	54
Payable days	(63)	(49)
Working capital days	<u>137</u>	<u>163</u>
Profitability ratios		
	2019	2018
	%	%
Turnover growth	8	4
Gross profit margin	<u>76</u>	<u>76</u>

METRASENS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019**

This report was approved by the board and signed on its behalf.

Simon Goodyear

S Goodyear
Director

Date: 30/10/2020

METRASENS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019**

The directors present their revised directors report and the revised financial statements for the year ended 31 October 2019.

Principal activity

The principal activity of the group and company is the provision of advanced ferromagnetic detection system technologies.

Results and dividends

The loss for the year after taxation, amounted to £517,954 (2018 - profit of £73,468).

During the year, the directors did not recommend an issue of dividends.

Directors

The directors who served during the year were:

S Goodyear
M Keene
L Kinet
A Newman
M Wooliscroft

Directors' Responsibilities Statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group 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 company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

METRASENS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019**

Qualifying third party indemnity provisions

The company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

Going concern

The group has generated a loss for the year of £518k and a decrease in cash of £1,328k and the current economic environment including the impact of Covid-19 continues to prove challenging. As described in the Strategic Report on page 1, the pandemic has impacted procurement decisions of customers and this creates material uncertainties in relation to the timing and volume of sales which may cast significant doubt on the group's ability to continue as a going concern.

The directors have reviewed the cash flow forecasts prepared for the period to 31 October 2021 and considered the potential impact of the Covid-19 pandemic on the trading result and cash position. In preparing the forecasts, the directors have assumed that the remainder of the 2020 calendar year will see revenues behind those in the prior year and that 2021 will see revenues return to pre-Covid levels.

However the directors have implemented measures to preserve cash, contain costs and secure additional finance, prudently accessing government initiatives to mitigate the potential impact of Covid-19. Additionally the Company has commenced a small fundraise from existing shareholders of a minimum of £425,000 which will be closed during November 2020. Such preemptive actions are designed to ensure the continuous operation of the business thereby safeguarding the going concern of the company.

Based on the above indications and after taking account of the potential impact of Covid-19 on the Group's future trading, the Directors believe that it remains appropriate to continue to adopt the going concern basis of preparation in the financial statements, however the matters noted above would indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern.

Matters covered in the strategic report

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

Post balance sheet events

There have been no significant events affecting the Group since the year end. Covid is a non adjusting post balance sheet event for the year ended 31 October 2019.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Simon Goodyear

S Goodyear

Director

Date: 30/10/2020



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 year ended 31 October 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, 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 31 October 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



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

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 the 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.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's or the parent company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Group's or the parent company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Group and the parent company associated with a course of action such as Brexit.

Material uncertainty related to going concern

We draw attention to note 2.3 of the financial statements, which indicates that the directors have prepared a cash flow forecast which incorporates their assessment of the potential impact of the recent Covid-19 outbreak on the group's cash position. As stated in note 1, the potential impact on the timing and volume of sales indicates that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the Group's or the parent company's business model, including effects arising from Brexit, and analysed how those risks might affect the Group's or the parent company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the Group and the parent company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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



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

company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Natalie Gladwin BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditors, Chartered Accountants
Birmingham
Date: 30/10/2020

METRASENS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2019**

	Note	2019 £	<i>Restated</i> 2018 £
Turnover	4	11,639,959	10,773,865
Cost of sales		(2,849,604)	(2,586,370)
Gross profit		8,790,355	8,187,495
Administrative expenses		(9,309,781)	(8,047,231)
Operating (loss)/profit	5	(519,426)	140,264
Interest receivable and similar income	9	2,119	37
Interest payable and expenses	10	-	(528)
(Loss)/profit before taxation		(517,307)	139,773
Tax on (loss)/profit	11	(647)	(66,305)
(Loss)/profit for the financial year		(517,954)	73,468
Foreign exchange movement		191,988	(125,703)
Other comprehensive income/(expense) for the year		191,988	(125,703)
Total comprehensive expense for the year		(325,966)	(52,235)
Loss for the year attributable to:			
Owners of the parent company		(517,954)	73,468
		(517,954)	73,468

There were no recognised gains and losses for 2019 or 2018 other than those included in the Consolidated Statement of Comprehensive Income.

The notes on pages 21 to 41 form part of these financial statements.

METRASENS LIMITED
REGISTERED NUMBER:05495096

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019

	Note	2019 £	<i>Restated</i> 2018 £
Fixed assets			
Intangible assets	12	1,946,028	1,100,755
Tangible assets	13	235,971	262,429
		<u>2,181,999</u>	<u>1,363,184</u>
Current assets			
Stocks	15	1,121,461	1,135,202
Debtors: amounts falling due within one year	16	2,394,516	2,020,324
Cash at bank and in hand	17	550,542	1,878,930
		<u>4,066,519</u>	<u>5,034,456</u>
Creditors: amounts falling due within one year	18	<u>(1,421,285)</u>	<u>(1,220,309)</u>
Net current assets		<u>2,645,234</u>	<u>3,814,147</u>
Total assets less current liabilities		<u>4,827,233</u>	<u>5,177,331</u>
Creditors: amounts falling due after more than one year	19	(345,551)	(370,072)
Provisions for liabilities			
Deferred taxation	21	(10,709)	(10,320)
		<u>(10,709)</u>	<u>(10,320)</u>
Net assets		<u><u>4,470,973</u></u>	<u><u>4,796,939</u></u>

METRASENS LIMITED
REGISTERED NUMBER:05495096

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital	22	752	752
Share premium account	23	7,761,787	7,761,787
Foreign exchange reserve	23	253,479	61,491
Profit and loss account	23	(3,545,045)	(3,027,091)
Equity attributable to owners of the parent company		<u><u>4,470,973</u></u>	<u><u>4,796,939</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30/10/2020

Simon Goodyear

S Goodyear
 Director

The notes on pages 21 to 41 form part of these financial statements.

METRASENS LIMITED
REGISTERED NUMBER:05495096

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019

	Note	2019 £	Restated 2018 £
Fixed assets			
Intangible assets	12	1,946,028	1,100,755
Tangible assets	13	144,963	175,149
Investments	14	612	612
		<u>2,091,603</u>	<u>1,276,516</u>
Current assets			
Stocks	15	858,250	748,488
Debtors: amounts falling due within one year	16	6,413,812	5,898,610
Cash at bank and in hand	17	267,800	942,816
		<u>7,539,862</u>	<u>7,589,914</u>
Creditors: amounts falling due within one year	18	(687,589)	(779,692)
Net current assets		<u>6,852,273</u>	<u>6,810,222</u>
Total assets less current liabilities		<u>8,943,876</u>	<u>8,086,738</u>
Creditors: amounts falling due after more than one year	19	(345,551)	(370,072)
Provisions for liabilities			
Deferred taxation	21	(10,709)	(10,320)
		<u>(10,709)</u>	<u>(10,320)</u>
Net assets		<u><u>8,587,616</u></u>	<u><u>7,706,346</u></u>

METRASENS LIMITED
REGISTERED NUMBER:05495096

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2019

	Note	2019 £	<i>Restated</i> 2018 £
Capital and reserves			
Called up share capital	22	752	752
Share premium account	23	7,761,787	7,761,787
Profit and loss account	23	825,077	(56,193)
		<u>8,587,616</u>	<u>7,706,346</u>

The company result for the year was a loss of £75,985 (2018: profit £379,330).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
30/10/2020

Simon Goodyear
S Goodyear
Director

The notes on pages 21 to 41 form part of these financial statements.

METRASENS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£	£
At 1 November 2018 (as previously stated)	752	7,761,787	61,491	(3,567,727)	4,256,303	4,256,303
Prior year adjustment	-	-	-	540,636	540,636	540,636
At 1 November 2018 (as restated)	752	7,761,787	61,491	(3,027,091)	4,796,939	4,796,939
Comprehensive income for the year						
Loss for the year	-	-	-	(517,954)	(517,954)	(517,954)
Foreign exchange movement	-	-	191,988	-	191,988	191,988
Other comprehensive income for the year	-	-	191,988	-	191,988	191,988
Total comprehensive income for the year	-	-	191,988	(517,954)	(325,966)	(325,966)
Total transactions with owners	-	-	-	-	-	-
At 31 October 2019	752	7,761,787	253,479	(3,545,045)	4,470,973	4,470,973

METRASENS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£	£
At 1 November 2017	749	7,750,324	187,194	(3,100,559)	4,837,708	4,837,708
Comprehensive income for the year						
Profit for the year	-	-	-	73,468	73,468	73,468
Foreign exchange movement	-	-	(125,703)	-	(125,703)	(125,703)
Other comprehensive income for the year	-	-	(125,703)	-	(125,703)	(125,703)
Total comprehensive income for the year	-	-	(125,703)	73,468	(52,235)	(52,235)
Shares issued during the year	3	11,463	-	-	11,466	11,466
Total transactions with owners	3	11,463	-	-	11,466	11,466
At 31 October 2018	752	7,761,787	61,491	(3,027,091)	4,796,939	4,796,939

The notes on pages 21 to 41 form part of these financial statements.

METRASENS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2018 (as previously stated)	752	7,761,787	(2,503,468)	5,259,071
Prior year adjustment	-	-	2,447,275	2,447,275
At 1 November 2018 (as restated)	<u>752</u>	<u>7,761,787</u>	<u>(56,193)</u>	<u>7,706,346</u>
Comprehensive income for the year				
Profit for the year	-	-	881,270	881,270
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>881,270</u>	<u>881,270</u>
At 31 October 2019	<u><u>752</u></u>	<u><u>7,761,787</u></u>	<u><u>825,077</u></u>	<u><u>8,587,616</u></u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2017	749	7,750,324	(976,159)	6,774,914
Comprehensive income for the year				
Profit for the year (as restated)	-	-	919,966	919,966
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>919,966</u>	<u>919,966</u>
Shares issued during the year	3	11,463	-	11,466
At 31 October 2018	<u><u>752</u></u>	<u><u>7,761,787</u></u>	<u><u>(56,193)</u></u>	<u><u>7,706,346</u></u>

The notes on pages 21 to 41 form part of these financial statements.

METRASENS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(517,954)	73,468
Adjustments for:		
Amortisation of intangible assets	424,018	279,314
Depreciation of tangible assets	102,958	69,433
Loss on disposal of tangible assets	(2,678)	4,017
Interest paid	-	528
Interest received	(2,119)	(37)
Taxation charge	647	66,305
Decrease/(increase) in stocks	13,741	(704,736)
(Increase) in debtors	(275,122)	(595,666)
Decrease in amounts owed by groups	-	1,750
Increase/(decrease) in creditors	259,482	(247,080)
Corporation tax received	65,674	24,467
Movement in foreign exchange	(55,950)	(125,703)
Net cash generated from operating activities	12,697	(1,153,940)
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,269,381)	(914,518)
Purchase of tangible fixed assets	(85,216)	(257,348)
Sale of tangible fixed assets	11,393	-
Interest received	2,119	37
Net cash from investing activities	(1,341,085)	(1,171,829)

METRASENS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2019

	2019 £	2018 £
Cash flows from financing activities		
Issue of ordinary shares	-	11,466
Interest paid	-	(528)
Net cash used in financing activities	<u>-</u>	<u>10,938</u>
Net (decrease) in cash and cash equivalents	(1,328,388)	(2,314,831)
Cash and cash equivalents at beginning of year	<u>1,878,930</u>	<u>4,193,761</u>
Cash and cash equivalents at the end of year	<u>550,542</u>	<u>1,878,930</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>550,542</u>	<u>1,878,930</u>

The notes on pages 21 to 41 form part of these financial statements.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

1. General information

Metrasens Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at judgements.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The below principal accounting policies have been applied and remain consistent with the prior year except for the following:

Change in accounting policy relating to development costs

Previously development costs had been expensed but the company has amended its policy to capitalise development costs as detailed in note 2.21. As a change in policy, this has been accounted for retrospectively and the comparative figures have therefore been restated accordingly. The impact of this has been detailed below:

	Before	Adjustment	After
Intangibles cost	£665,551	£714,518	£1,380,069
Amortisation	£105,432	£173,882	£279,314
Net Book Value	£560,119	£540,636	£1,100,755

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.3 Going concern

The group has generated a loss for the year of £518k and a decrease in cash of £1,328k and the current economic environment including the impact of Covid-19 continues to prove challenging. As described in the Strategic Report on page 1, the pandemic has impacted procurement decisions of customers and this creates material uncertainties in relation to the timing and volume of sales which may cast significant doubt on the group's ability to continue as a going concern.

The directors have reviewed the cash flow forecasts prepared for the period to 31 October 2021 and considered the potential impact of the Covid-19 pandemic on the trading result and cash position. In preparing the forecasts, the directors have assumed that the remainder of the 2020 calendar year will see revenues behind those in the prior year and that 2021 will see revenues return to pre-Covid levels.

However the directors have implemented measures to preserve cash, contain costs and secure additional finance, prudently accessing government initiatives to mitigate the potential impact of Covid-19. Additionally the Company has commenced a small fundraise from existing shareholders of a minimum of £425,000 which will be closed during November 2020. Such preemptive actions are designed to ensure the continuous operation of the business thereby safeguarding the going concern of the company.

Based on the above indications and after taking account of the potential impact of Covid-19 on the Group's future trading, the Directors believe that it remains appropriate to continue to adopt the going concern basis of preparation in the financial statements, however the matters noted above would indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 Group 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.

Deferred income includes an amount of reserve relating to extended warranties and service contracts.

Installation and training are included in the overall sales price and are adjusted through a cost of goods sold accrual to reflect where the sale has been made but the activity (installation and training) have not been actioned.

2.5 Intangible assets

Intangible assets, being patents, are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. The finite useful life of the patents is considered to be up to 5 years.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- Straight line over the period of lease
Plant and machinery	- 33% on cost
Motor vehicles	- 33% on cost
Fixtures and fittings & office equipment	- 25% straight line
Demonstration instruments and transfer equipment (other fixed assets)	- 33% on cost

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 the Consolidated Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 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, stocks are assessed 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 profit or loss.

2.9 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.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.10 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.12 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.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

2.15 Share based payments

The parent company operates an equity based 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.

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.18 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

2. Accounting policies (continued)

2.21 Research and development

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 assets are amortised as follows:

Patents - Straight line basis over 6 years
Development costs - Straight line basis over 5 years

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The areas where the judgements and estimates have been made include:

Deferred income

For supply and installation contracts with customers, management make a judgement as how much revenue and cost to attribute to installation services, recognised any deferred income when performance obligations have not been completed.

4. Turnover

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

Analysis of turnover by country of destination:

	2019	2018
	£	£
United Kingdom	376,139	597,706
Rest of the world	11,263,820	10,176,159
	<u>11,639,959</u>	<u>10,773,865</u>

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

5. Operating (loss)/profit

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

	2019	2018
	£	£
Research & development charged as an expense	427,156	298,325
Depreciation of tangible fixed assets	102,959	69,433
Amortisation of intangible fixed assets	424,108	105,432
Exchange differences	(182,048)	75,838
Operating lease rentals - land and buildings	147,161	136,696
	<u>147,161</u>	<u>136,696</u>

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements		
Company	13,500	11,550
Group	9,000	9,000
	<u>9,000</u>	<u>9,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
Preparation of financial statements	1,250	1,000
Taxation compliance services	4,500	12,750
Tax advisory	25,000	500
	<u>25,000</u>	<u>500</u>

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Wages and salaries	5,607,036	<i>4,610,558</i>	1,954,179	<i>1,595,464</i>
Social security costs	416,771	<i>346,660</i>	206,836	<i>165,812</i>
Cost of defined contribution scheme	45,951	<i>29,188</i>	45,935	<i>29,175</i>
	<u>6,069,758</u>	<i><u>4,986,406</u></i>	<u>2,206,950</u>	<i><u>1,790,451</u></i>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2019 No.	<i>Group 2018 No.</i>	Company 2019 No.	<i>Company 2018 No.</i>
Administration and finance	<u>72</u>	<i><u>66</u></i>	<u>38</u>	<i><u>35</u></i>

8. Directors' remuneration

	2019 £	<i>2018 £</i>
Directors' emoluments	570,848	<i>525,439</i>
Company contributions to defined contribution pension schemes	10,320	<i>2,581</i>
	<u>581,168</u>	<i><u>528,020</u></i>

During the year retirement benefits were accruing to 1 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £299,052 (2018 - £300,452).

9. Interest receivable

	2019 £	<i>2018 £</i>
Bank interest receivable	<u>2,119</u>	<i><u>37</u></i>

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

10. Interest payable and similar expenses

	2019 £	2018 £
Other loan interest payable	-	528

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on losses for the year	80,275	60,356
Adjustments in respect of previous periods	(80,017)	-
Total current tax	258	60,356
Deferred tax		
Origination and reversal of timing differences	389	5,949
Total deferred tax	389	5,949
Taxation on loss on ordinary activities	647	66,305

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£	£
(Loss)/profit on ordinary activities before tax	(517,307)	139,773
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(98,288)	72,073
Effects of:		
Expenses not deductible for tax purposes	1,417	332
Fixed asset differences	37,983	-
Income not taxable	(20,482)	(5,400)
Deferred tax rate adjustments	-	(700)
Adjustments to tax charge in respect of previous periods	80,017	-
Total tax charge for the year	647	66,305

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

12. Intangible assets**Group and Company**

	Patents £	Development expenditure £	Total £
Cost			
At 1 November 2018 (as previously stated)	665,551	-	665,551
Prior Year Adjustment	-	714,518	714,518
	<hr/>	<hr/>	<hr/>
At 1 November 2018 (as restated)	665,551	714,518	1,380,069
Additions	85,000	1,184,381	1,269,381
	<hr/>	<hr/>	<hr/>
At 31 October 2019	750,551	1,898,899	2,649,450
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 November 2018 (as previously stated)	105,432	-	105,432
Prior Year Adjustment	-	173,882	173,882
	<hr/>	<hr/>	<hr/>
At 1 November 2018 (as restated)	105,432	173,882	279,314
Charge for the year	195,188	228,920	424,108
	<hr/>	<hr/>	<hr/>
At 31 October 2019	300,620	402,802	703,422
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 October 2019	449,931	1,496,097	1,946,028
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 October 2018 (as restated)	560,119	540,636	1,100,755
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

13. Tangible fixed assets**Group**

	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and office equipment £	Demo equipment £	Total £
Cost or valuation						
At 1 November 2018	121,660	16,310	16,667	109,810	148,548	412,995
Additions	16,424	-	-	44,245	24,547	85,216
Disposals	-	-	(5,926)	(2,637)	(6,749)	(15,312)
At 31 October 2019	<u>138,084</u>	<u>16,310</u>	<u>10,741</u>	<u>151,418</u>	<u>166,346</u>	<u>482,899</u>
Depreciation						
At 1 November 2018	15,618	8,098	1,687	43,832	81,331	150,566
Charge for the year	27,119	5,253	5,556	33,898	31,133	102,959
Disposals	-	-	(2,469)	(2,441)	(1,687)	(6,597)
At 31 October 2019	<u>42,737</u>	<u>13,351</u>	<u>4,774</u>	<u>75,289</u>	<u>110,777</u>	<u>246,928</u>
Net book value						
At 31 October 2019	<u>95,347</u>	<u>2,959</u>	<u>5,967</u>	<u>76,129</u>	<u>55,569</u>	<u>235,971</u>
At 31 October 2018	<u>106,042</u>	<u>8,212</u>	<u>14,980</u>	<u>65,978</u>	<u>67,217</u>	<u>262,429</u>

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

13. Tangible fixed assets (continued)**Company**

	Leasehold property improvements £	Plant and machinery £	Fixtures, fittings and office equipment £	Demo equipment £	Total £
Cost or valuation					
At 1 November 2018	126,114	15,280	45,910	29,726	217,030
Additions	13,354	-	9,358	5,290	28,002
Disposals	-	-	-	(2,510)	(2,510)
At 31 October 2019	<u>139,468</u>	<u>15,280</u>	<u>55,268</u>	<u>32,506</u>	<u>242,522</u>
Depreciation					
At 1 November 2018	15,618	7,955	9,917	8,391	41,881
Charge for the year	26,864	4,910	14,729	10,199	56,702
Disposals	-	-	-	(1,024)	(1,024)
At 31 October 2019	<u>42,482</u>	<u>12,865</u>	<u>24,646</u>	<u>17,566</u>	<u>97,559</u>
Net book value					
At 31 October 2019	<u><u>96,986</u></u>	<u><u>2,415</u></u>	<u><u>30,622</u></u>	<u><u>14,940</u></u>	<u><u>144,963</u></u>
At 31 October 2018	<u><u>110,496</u></u>	<u><u>7,325</u></u>	<u><u>35,993</u></u>	<u><u>21,335</u></u>	<u><u>175,149</u></u>

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2018	612
At 31 October 2019	612
Net book value	
At 31 October 2019	612
At 31 October 2018	612

Subsidiary undertaking

The following is a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Metrasens Inc	2150 Western Ct Ste 360 Lisle, IL 60532-1973, United States.	Ordinary	100%

15. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Consumables and finished goods	1,121,461	1,135,202	858,250	748,488

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

Stock recognised in cost of sales during the year as an expense was £2,177,706 (2018: £1,849,254).

An impairment charge of £80,650 (2018: £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

16. Debtors

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Trade debtors	1,712,252	1,587,170	345,018	343,109
Amounts owed by group undertakings	-	-	5,471,271	5,186,598
Other debtors	591,326	433,154	506,585	368,903
Tax recoverable	90,938	-	90,938	-
	<u>2,394,516</u>	<u>2,020,324</u>	<u>6,413,812</u>	<u>5,898,610</u>

An impairment loss of £365 (2018 - £Nil) was recognised against trade debtors.

Amounts owed by group undertakings are interest free and repayment on demand.

17. Cash and cash equivalents

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Cash at bank and in hand	550,542	1,878,930	267,800	942,816

18. Creditors: Amounts falling due within one year

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Trade creditors	487,076	336,406	374,305	233,671
Amounts owed to group undertakings	-	3,000	-	3,000
Corporation tax	-	80,026	-	80,026
Other taxation and social security	61,904	55,771	60,816	48,085
Other creditors	336,996	330,618	100,850	192,700
Accruals and deferred income	535,309	414,488	151,618	222,210
	<u>1,421,285</u>	<u>1,220,309</u>	<u>687,589</u>	<u>779,692</u>

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

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

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Other creditors	345,551	<i>370,072</i>	345,551	<i>370,072</i>

20. Financial instruments

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Financial assets				
Cash and cash equivalents	550,542	<i>1,878,930</i>	267,800	<i>942,816</i>
Financial assets measured at amortised cost	2,303,578	<i>2,020,324</i>	6,322,874	<i>5,898,610</i>
	2,854,120	<i>3,899,254</i>	6,590,674	<i>6,841,426</i>
Financial liabilities				
Financial liabilities measured at amortised cost	(1,347,916)	<i>(1,454,584)</i>	(936,959)	<i>(1,021,653)</i>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to related parties, other creditors and accruals.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(10,320)	(4,371)
Charged to profit or loss	(389)	(5,949)
At end of year	(10,709)	(10,320)

Company

	2019 £	2018 £
At beginning of year	(10,320)	(4,371)
Charged to profit or loss	(389)	(5,949)
At end of year	(10,709)	(10,320)

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	(13,316)	(10,320)	(13,316)	(10,320)
Short term timing differences	2,607	-	2,607	-

METRASENS LIMITED

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22. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
284,000(2017: 284,000) Ordinary shares of £0.001 each	284	284
42,000 (2018 - 42,000) Ordinary A shares of £0.001 each	42	42
109,000 (2018 - 109,000) Ordinary B shares of £0.001 each	109	109
50,000 (2018 - 50,000) Ordinary B1 shares of £0.001 each	50	50
267,000 (2018 - 267,000) Ordinary C shares of £0.001 each	267	267
	<hr/>	<hr/>
	752	752
	<hr/> <hr/>	<hr/> <hr/>

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.

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

The total amount authorised is 157,275.

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 share options granted during the year ended 31 October 2019 and management have concluded that the financial impact of these options is immaterial. Details of share options included during the year are as follows:

Number of share options granted in this financial year: 0

Vesting period: Not applicable

Exercise price: Not applicable

23. Reserves**Share premium account**

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 account

Includes all current and prior period retained profits and losses.

METRASENS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £45,951 (2018: £29,188). Contributions totalling £Nil (2018: £Nil) were payable to the fund at the reporting date

25. Commitments under operating leases

At 31 October 2019 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Within 1 year	115,996	<i>117,404</i>	56,376	<i>56,376</i>
Within 2 to 5 years	77,856	<i>196,027</i>	77,856	<i>134,232</i>
	193,852	<i>313,431</i>	134,232	<i>190,608</i>

26. Related party transactions

ITC Global Advisors, a shareholder of the company, is also a supplier. Amounts charged during the year amount to £66,667 (2018: £16,667) and the balance outstanding at the year end is £5,556 (2018: £5,556).

Amounts charged to Owlstone Medical Limited during the year amounted to £58,389 (2018: £Nil) and the balance at the year end outstanding is £1,852 (2018: £Nil). Owlstone Medical Limited and Metrasens Limited have a common Board member.

There are no other related party transactions other than directors remuneration as disclosed in note 8.

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

Key management personnel consists of the senior leadership team who received total remuneration of £1,268,628 (2018: £1,117,267).

27. Controlling party

The company has no single controlling party.