

Metrichor Limited
Unaudited Abridged Financial Statements
for the year ended 31 December 2016

Registered number: 08534345

Statement of Consent to Prepare Abridged Financial Statements

All of the members of Metrichor Limited have consented to the preparation of the Abridged Statement of Financial Position for the year ended 31 December 2016 in accordance with Section 444(2A) of the Companies Act 2006.



METRICHOR LIMITED

UNAUDITED ABRIDGED STATEMENT OF FINANCIAL POSITION for the year ended 31 December 2016

	Note	2016 £	2015 £
Current assets			
Trade and other receivables		67,839	-
Cash and cash equivalents		1	1
		<u>67,840</u>	<u>1</u>
Total and Net assets		<u>67,840</u>	<u>1</u>
/			
Equity			
Share capital	7	25,000	1
Retained earnings		42,840	-
		<u>67,840</u>	<u>1</u>
Total equity		<u>67,840</u>	<u>1</u>

For the year ending 31 December 2016, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its abridged financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of abridged financial statements.

These unaudited abridged financial statements of Metrichor Limited (Registered number 08534345) have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 2 to 5 form part of these abridged financial statements.

In accordance with Section 444 of the Companies Act 2006, the income statement has not been delivered.

These abridged financial statements were approved by the board of directors and authorised for issue on 26 September 2017, and are signed on behalf of the board by:

G Sanghera

Director



METRICHOR LIMITED

NOTES TO THE UNAUDITED ABRIDGED FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2016**

1. GENERAL INFORMATION

Metrichor Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is Edmund Cartwright House, 4 Robert Robinson Avenue, Oxford Science Park, Oxford OX4 4GA, United Kingdom.

2. STATEMENT OF COMPLIANCE

These unaudited abridged financial statements have been prepared in compliance with FRS 102 Section 1A, 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These unaudited abridged financial statements relate solely to the activities of Metrichor Limited.

A summary of the Company's principal accounting policies, all of which have been applied consistently throughout the current and preceding year, is set out below:

Foreign currency

The unaudited abridged financial statements are prepared in sterling, which is the functional currency of the company.

In preparing the unaudited abridged financial statements, transactions in currencies other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the income statement.

Financial assets

The Company classifies its financial assets depending on the purpose for which the asset was acquired. The Company's accounting policy for each identified category is as follows:

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes,

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The delivery of the goods takes place in accordance with the contracted terms of sale;
- The Company retains neither continuing managerial involvement in 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 economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits held at call with banks and other short-term highly liquid investments with a maturity of three months or less at the date of acquisition.

METRICHOR LIMITED

NOTES TO THE UNAUDITED ABRIDGED FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2016**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), but also incorporate other types of contractual monetary asset. They are carried at cost less any provision for impairment.

Financial liabilities

The Company classifies its financial liabilities depending on the purpose for which the asset was acquired. Other financial liabilities, which include trade payables and other short-term monetary liabilities, are recognised at amortised cost.

Research and development

All on-going research expenditure is currently expensed in the period in which it is incurred. The Company regularly assesses the research and development expenditures against the criteria for development costs to be recognised as an asset, as set out in IAS 38 "Intangible Assets". Development costs will be capitalised when all of the criteria are met and it is probable that future economic benefit will flow to the Company. The Company currently has no such qualifying expenditure.

Share-based payments

Where share options and other equity instruments are awarded to employees, the fair value of the instrument at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term. The land and buildings elements of property leases are considered separately for the purposes of lease classification.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is

METRICHOR LIMITED

NOTES TO THE UNAUDITED ABRIDGED FINANCIAL STATEMENTS (CONTINUED) **For the year ended 31 December 2016**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax balances are not discounted.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. Any corresponding liability is recognised within provisions.

All items of property, plant and equipment are carried at depreciated cost less any recognised impairment losses.

Depreciation is provided on all items of property, plant and equipment so as to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Leasehold improvements	- over the expected duration of the lease straight line
Plant and machinery	- 3 years straight line
Office equipment	- 3 years straight line

Government grants

Government grants received are recognised as other income. Where retention of a government grant is dependent on the satisfaction of certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the income statement.

Critical accounting estimates and judgements

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

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

METRICHOR LIMITED

NOTES TO THE UNAUDITED ABRIDGED FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2016

4. The average monthly number of employees during the year was 10 (2015: nil).

5. SHARE CAPITAL

Company and Company

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Issued:		
Opening- 1 ordinary share of £1 each (2015: 1)	24,570	22,490
	<hr/>	<hr/>
Issued – 24,499 ordinary shares of £1 each (2015: Nil)	24,999	-
	<hr/>	<hr/>
	24,999	-
Subdivision – subdivide shares 1,000 to 1 into ordinary shares of £0.001 each		
Closing – 25,000,000 ordinary shares of £0.001 each (2015: 1,000)	25,000	1
	<hr/>	<hr/>
Total Issued Share Capital	25,000	1
	<hr/>	<hr/>

6. COMMITMENTS

As at 31 December 2016, the Company had total commitments to make payments under non-cancellable operating leases of £nil (2015 - nil).

7. SHARE BASED PAYMENTS

Equity-settled share option scheme

The Company operates one equity-settled share based remuneration scheme for employees: the Metrichor Share Option Scheme. The Scheme allows the Company to award share options. All options may be subject to performance criteria and vesting schedules set at the Board's discretion.

8. RETIREMENT BENEFITS

The Parent Company, Oxford Nanopore Technologies Limited, operates a defined contributions pension scheme for the benefit of its employees. Most of the employees who contribute to the Parent Company's pension scheme do so via salary sacrifice. Following the introduction of Auto-Enrolment in April 2014 the Parent Company makes a contribution to the pension scheme up to 11% of Pensionable Pay.

11. ULTIMATE CONTROLLING PARTY

The Company is a wholly owned undertaking of Oxford Nanopore Technologies Limited.