

**Report of the Directors and
Unaudited Financial Statements
for the Year Ended 31 May 2020
for
INNOVATIVE TRIALS LIMITED**

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for the year ended 31 May 2020**

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INNOVATIVE TRIALS LIMITED

**Company Information
for the year ended 31 May 2020**

Directors: Ms K Shaw
Mr D Watkins

Registered office: 305 Regents Park Road
Finchley
London
N3 1DP

Registered number: 07181523 (England and Wales)

Accountants: Haines Watts
Chartered Accountants
305 Regents Park Road
Finchley
London
N3 1DP

**Report of the Directors
for the year ended 31 May 2020**

The directors present their report with the financial statements of the company for the year ended 31 May 2020.

Principal activity

The principal activity of the company in the year under review was that of the provision of patient recruitment services to the pharmaceutical industry.

Review of business

2019 - 2020 was Innovative Trials Limited's 11th year in business and saw sales turnover grow to £6.4m, an increase of 13.6%. Gross profit grew by £853k or 24% representing improved efficiency in delivery of our services.

This growth in both sales and gross profits has enabled us to further increase our clinical trial service offering and has resulted in an increase in employed staff numbers by 38% compared to last year, as we further develop our international footprint.

As we have grown, we have continued to invest in first class internal systems to enhance our ability to provide improved efficiency and capability on behalf of our clients, and this is reflected in net profits before taxation growing by 5% versus 2019. Net assets grew to £5.079m, an increase of 36% over 2019.

The company moved to its larger, newly renovated offices in Letchworth Garden City in January 2020 to provide improved facilities for the increasing staff. Additional functions have now been brought in house, specifically including recruitment and training, to enable us to recruit and onboard our new staff efficiently.

The Executive team continues to develop and provide direction and leadership to the growing organisation, and we intend to further increase our leadership team in the coming year in order to meet the growing demands and expectations of our clients. We continue to improve our patient recruitment services and we are delighted that they are bringing with them success for our clients and enabling them to meet their patient recruitment goals on a regular basis.

We are pleased to note that the Covid pandemic has been managed internally very well, with continued rapid response to government advice, best practice and business needs. Our business has not been significantly disrupted during the lockdown period, and has managed to ensure remote working, social distancing and other measures have been adopted appropriately and fully.

Our goals for the coming financial year are challenging, but achievable as we continue to aim to deliver on our long term goals. Again we are looking to grow turnover and net profit, and at the same time further invest in people and systems as part of our ongoing strategy.

Directors

The directors shown below have held office during the whole of the period from 1 June 2019 to the date of this report.

Ms K Shaw
Mr D Watkins

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

Ms K Shaw - Director

26 November 2020

Balance Sheet
31 May 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Intangible assets	4		-		2,400
Tangible assets	5		795,013		93,467
			<u>795,013</u>		<u>95,867</u>
Current assets					
Debtors	6	3,399,023		2,615,639	
Cash at bank and in hand		<u>1,615,685</u>		<u>1,822,168</u>	
		5,014,708		4,437,807	
Creditors					
Amounts falling due within one year	7	<u>717,441</u>		<u>802,004</u>	
Net current assets			<u>4,297,267</u>		<u>3,635,803</u>
Total assets less current liabilities			<u>5,092,280</u>		<u>3,731,670</u>
Provisions for liabilities			<u>13,556</u>		<u>8,812</u>
Net assets			<u><u>5,078,724</u></u>		<u><u>3,722,858</u></u>
Capital and reserves					
Called up share capital	9		120		120
Share premium			488,380		488,380
Retained earnings			<u>4,590,224</u>		<u>3,234,358</u>
Shareholders' funds			<u><u>5,078,724</u></u>		<u><u>3,722,858</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
31 May 2020

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 26 November 2020 and were signed on its behalf by:

Ms K Shaw - Director

Mr D Watkins - Director

**Notes to the Financial Statements
for the year ended 31 May 2020**

1. Statutory information

Innovative Trials Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Key source of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating depreciation. A full line by line review of fixed assets is carried out by management regularly. Whilst every attempt is made to ensure that the depreciation policy is as accurate as possible, there remains a risk that the policy does not match the useful life of the assets.

There is estimation uncertainty in calculating deferred tax. A full line by line review of deferred tax is carried out by management regularly. Whilst every attempt is made to ensure that the deferred tax is accurate as possible, there remains a risk that the provisions do not match the actual tax liability when asset is disposed off.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

There is estimation uncertainty in calculating amortisation of intangible assets. A full line by line review of intangible assets is carried out by management regularly. Whilst every attempt is made to ensure that the amortisation policy is as accurate as possible, there remains a risk that the policy does not match the useful life of the intangible assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

**Notes to the Financial Statements - continued
for the year ended 31 May 2020**

2. Accounting policies - continued

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. Employees and directors

The average number of employees during the year was 36 (2019 - 26) .

Notes to the Financial Statements - continued
for the year ended 31 May 2020

4. Intangible fixed assets

	Development costs £
Cost	
At 1 June 2019 and 31 May 2020	7,200
Amortisation	
At 1 June 2019	4,800
Amortisation for year	2,400
At 31 May 2020	7,200
Net book value	
At 31 May 2020	-
At 31 May 2019	2,400

5. Tangible fixed assets

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost					
At 1 June 2019	47,088	30,129	36,152	25,507	138,876
Additions	676,577	22,842	-	25,910	725,329
At 31 May 2020	723,665	52,971	36,152	51,417	864,205
Depreciation					
At 1 June 2019	-	21,880	15,648	7,881	45,409
Charge for year	-	7,773	5,126	10,884	23,783
At 31 May 2020	-	29,653	20,774	18,765	69,192
Net book value					
At 31 May 2020	723,665	23,318	15,378	32,652	795,013
At 31 May 2019	47,088	8,249	20,504	17,626	93,467

6. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	1,838,056	1,847,231
Other debtors	1,560,967	768,408
	3,399,023	2,615,639

Notes to the Financial Statements - continued
for the year ended 31 May 2020

7. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	239,712	265,544
Taxation and social security	91,994	383,011
Other creditors	385,735	153,449
	<u>717,441</u>	<u>802,004</u>

8. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	130,000	14,690
Between one and five years	455,000	22,500
	<u>585,000</u>	<u>37,190</u>

9. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
50	Ordinary A	£1	50	50
50	Ordinary B	£1	50	50
20	Ordinary C	£1	20	20
			<u>120</u>	<u>120</u>

10. Directors' advances, credits and guarantees

The following advances and credits to directors subsisted during the years ended 31 May 2020 and 31 May 2019:

	2020	2019
	£	£
Ms K Shaw and Mr D Watkins		
Balance outstanding at start of year	644,598	(553)
Amounts advanced	6,074	1,415,567
Amounts repaid	(895,436)	(770,416)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(244,764)</u>	<u>644,598</u>

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