

Company Registration No. 08236413 (England and Wales)

**MRN INFLECTION LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# MRN INFLECTION LTD

## COMPANY INFORMATION

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**Directors** Dr G Wylie  
Dr E Wylie  
Mr D E Cook  
Mr R Wilson  
Mr A Guite (Appointed 2 March 2021)

**Secretary** Mrs S Ayres

**Company number** 08236413

**Registered office** Talon House  
Presley Way  
Crownhill  
Milton Keynes  
Buckinghamshire  
MK8 0ES  
UK

**Auditor** Azets Audit Services  
6th Floor, Bank House  
Cherry Street  
Birmingham  
B2 5AL

**Business address** Talon House  
Presley Way  
Crownhill  
Milton Keynes  
Buckinghamshire  
MK8 0ES  
UK

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# MRN INFLECTION LTD

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# **MRN INFLECTION LTD**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors present the strategic report for the year ended 31 December 2020.

### **Fair review of the business**

The principal activity of the group continues to be that of the provision of clinical trial support in the home. It is the group's aim to further develop this provision and to provide complimentary services which together will accelerate the mainstream implementation of community-based clinical trials over the next few years. The key underlying objectives are to speed up clinical trials, improve trial efficiency and ultimately bring drugs to the market quicker.

The turnover for the group has increased by 82% this year, and the group continues in a good position to continue its growth in the upcoming financial year and beyond. The group's ongoing growth strategy requires it to re-invest the majority of profits, particularly in increased headcount, new technology and more efficient processes.

Additionally, the group's physical presence is now within the UK, USA and Europe (Spain and Germany) and in due course further overseas offices will be opened including in the Far East.

The Board has a 5 year plan which targets year on year increased turnover and over time increased profitability. To underpin this plan, the directors undertook external funding in 2021.

### **Principal risks and uncertainties**

The key business risks and uncertainties affecting the group are considered to relate to competition within the market, availability of qualified nurses, retention of other staff members and the economic environment surrounding the clinical trials. The specific risks associated with Brexit were reviewed and the Board has put into place plans to mitigate any potential adverse impact which have been minor. All significant risks are managed by directors and senior management within the group.

### **Key performance indicators**

The directors consider that relevant key financial performance indicators are those that communicate the financial performance and strength of the group, these being turnover, gross profit, net profit before tax and net assets.

The group's key financial and other performance indicators during the year were as follows:

Turnover £38,031,736  
Operating Profit £6,843,933  
Net Profit Before Tax £6,692,089  
Net Assets £6,445,626

# **MRN INFLECTION LTD**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **Going Concern**

At the time of approving the financial statements, the directors have a good expectation that the group has adequate resources to continue in operational existence for the foreseeable future for at least 12 months from the approval of the financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The group has reacted to, and considered the impact of Covid19 on the organisation, not least on the growth plans. In the initial weeks following the announcement of the global pandemic, focus was on understanding the potential adverse impact on the demand for, and the group's ability to deliver, home visits and within this to ensure the group secured its short-term operational cash flow requirements. Initially the adverse impact on current contracts was small and subsequently the group has seen a significant increase in demand. The group has been approached and engaged in a significant number of new business opportunities, these are from both existing and new customers.

At the year end the group's turnover increased from the prior year by 82% to £38 million, profit before tax has increased to £7 million and the group has strong cash balances. The directors now consider that in 2021 any adverse impact of Covid19, has been more than offset by the increased activity in existing projects, along with new opportunities the group has been awarded. Therefore, the directors expect the group will exceed its 2021 sales budget with sufficient working capital for at least 12 months of the approval of the financial statements to achieve this.

In March 2021, the group obtained additional cash to facilitate its growth projections by securing debt of £3 million. The group is therefore well placed in terms of cash facilities and headroom.

The group plans to recruit more people to meet additional demand, the costs of which will be borne from the additional profit generated by the increased turnover along with the debt facility now in place.

For the reasons set out above, the directors have concluded that there are no material uncertainties related to going concern.

Approved on behalf of the board and signed on its behalf by

Dr G Wylie  
**Director**  
30 September 2021

# MRN INFLECTION LTD

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their annual report and consolidated financial statements for the year ended 31 December 2020.

### **Principal activities**

The principal activity of the group continued to be that of the provision of clinical trial support.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr G Wylie

Dr E Wylie

Mr D E Cook

Mr R Wilson

Mr A Guite

(Appointed 2 March 2021)

### **Results and dividends**

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £517,307 (2019: £349,600). The directors do not recommend payment of a further dividend.

### **Financial instruments**

#### ***Treasury operations and Financial instruments***

The group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities.

#### ***Liquidity risk***

The group manages its cash and borrowing requirements to ensure the group has sufficient liquid resources to meet the operating needs of the business.

#### ***Interest rate risk***

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

#### ***Foreign currency risk***

The group's principal foreign currency exposures arise from trading with overseas companies. The group has significant trade in US Dollars. Group policy is to hedge foreign currency exposure in order to fix the cost in sterling, this will continue for the foreseeable future.

#### ***Credit risk***

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and customer due diligence is undertaken on a risk based approach. The Group operates strict credit limits with its customers and has reduced risk by maintaining credit insurance. Provision is made for doubtful debts where necessary.

#### **Acquisition of own shares**

During the year the company purchased and cancelled 2,176 ordinary B shares for cash consideration of £174,740.

## **MRN INFLECTION LTD**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Events after the reporting date**

After the reporting date but before the date of signing these accounts, the company entered into the following equity transactions:

1st February 2021: Allotment of 3,201 ordinary B shares at par value as a result of employee share option exercises.

2nd March 2021: Purchase and cancellation of 11,402 ordinary B shares for cash consideration totalling £2,948,904.

2nd March 2021: Ordinary C shares were re-designated into A-2 preferred shares.

2nd March 2021: Allotment of 14,678 A-2 preferred shares for cash consideration totalling £4,499,981.

A-2 preferred shares rank equally with preferred shares in priority to any other class of share for a distribution of capital.

These transactions supersede contracts that were entered into in the prior and current year which provided the company with the option to acquire shares from minority shareholders in tranches, the last of which was due on 31st December 2022.

Additionally and in line with the group's planned growth, the group has entered into the following debt transactions after the balance sheet date:

In March 2021 the company obtained additional cash to facilitate its growth projections by securing debt of £3million. The company is therefore well placed in terms of cash facilities and headroom.

Lastly, in line with the Group's planned expansion, on 29th June 2021 the company incorporated a subsidiary in Japan with an initial capital investment of £65,031 (10,000,000 Japanese Yen).

There are no other significant post balance sheet events.

#### **Future developments**

The directors aim to maintain the current trade with increased turnover and profitability for future periods.

#### **Auditor**

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

#### **Disclosure in the strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

**MRN INFLECTION LTD**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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Approved on behalf of the board and signed by

Dr G Wylie

**Director**

30 September 2021

## **MRN INFLECTION LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors are responsible for preparing the Annual Report and the 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). 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 of the group and company, and of the profit or loss of the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# MRN INFLECTION LTD

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MRN INFLECTION LTD

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### Opinion

We have audited the financial statements of MRN Inflection Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company Statement of Cash Flows 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 FRS 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 the parent company's affairs as at 31 December 2020 and of the group's profit 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.

### 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 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. The date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# MRN INFLECTION LTD

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MRN INFLECTION LTD

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, set out on page 5, 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 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 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **MRN INFLECTION LTD**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MRN INFLECTION LTD**

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### **Matters on which we are required to report by exception**

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **MRN INFLECTION LTD**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MRN INFLECTION LTD**

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### **Use of our report**

This report is made solely to the company's members, a 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 to them 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 company's members,as a body, for our audit work, for this report, or for the opinions we have formed.

**Laura Hinsley FCCA (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**  
**Statutory Auditor**

30 September 2021  
**6th Floor, Bank House**  
**Cherry Street**  
**Birmingham**  
**B2 5AL**

## MRN INFLECTION LTD

### GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	38,031,736	20,895,200
Cost of sales		(14,630,531)	(8,399,909)
<b>Gross profit</b>		<b>23,401,205</b>	<b>12,495,291</b>
Administrative expenses		(16,557,272)	(11,531,726)
<b>Operating profit</b>	4	<b>6,843,933</b>	<b>963,565</b>
Interest receivable and similar income	8	484	10
Interest payable and similar expenses	9	(152,328)	(126,073)
<b>Profit before taxation</b>		<b>6,692,089</b>	<b>837,502</b>
Tax on profit	10	(1,356,016)	(100,424)
<b>Profit for the financial year</b>	30	<b>5,336,073</b>	<b>737,078</b>

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 19 to 43 form part of the financial statements.

## MRN INFLECTION LTD

### GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

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	2020	2019
	£	£
Profit for the year	5,336,073	737,078
Other comprehensive income	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<b><u><u>5,336,073</u></u></b>	<b><u><u>737,078</u></u></b>

Total comprehensive income for the year is all attributable to the owners of the parent company.

The notes on pages 19 to 43 form part of the financial statements.

# MRN INFLECTION LTD

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		391,931		365,221
Tangible assets	13		1,291,437		430,920
			<u>1,683,368</u>		<u>796,141</u>
<b>Current assets</b>					
Stocks	16	119,349		10,184	
Debtors - deferred tax	24	-		55	
Debtors - other	18	11,131,724		5,386,035	
Cash at bank and in hand		2,996,397		385,712	
			<u>14,247,470</u>		<u>5,781,986</u>
<b>Creditors: amounts falling due within one year</b>	19	(9,260,078)		(4,612,749)	
<b>Net current assets</b>			<u>4,987,392</u>		<u>1,169,237</u>
<b>Total assets less current liabilities</b>			<u>6,670,760</u>		<u>1,965,378</u>
<b>Creditors: amounts falling due after more than one year</b>	20		(9,227)		(107,565)
<b>Provisions for liabilities</b>	24		(215,907)		(56,223)
<b>Net assets</b>			<u>6,445,626</u>		<u>1,801,590</u>
<b>Capital and reserves</b>					
Called up share capital	27		1,476		1,488
Share premium account	28		1,570,497		1,570,497
Capital redemption reserve	29		224		202
Profit and loss reserves	30		4,873,429		229,403
<b>Total equity</b>			<u>6,445,626</u>		<u>1,801,590</u>

The notes on pages 19 to 43 form part of the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2021 and are signed on its behalf by:

Dr G Wylie  
Director

# MRN INFLECTION LTD

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	14		25,999		25,999
<b>Current assets</b>					
Debtors	18	1,516,347		1,760,641	
<b>Creditors: amounts falling due within one year</b>	19	(63,349)		(26,877)	
<b>Net current assets</b>			1,452,998		1,733,764
<b>Total assets less current liabilities</b>			1,478,997		1,759,763
<b>Capital and reserves</b>					
Called up share capital	27		1,476		1,488
Share premium account	28		1,475,017		1,475,017
Capital redemption reserve	29		224		202
Profit and loss reserves	30		2,280		283,056
<b>Total equity</b>			1,478,997		1,759,763

The notes on pages 19 to 43 form part of the financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £411,271 (2019 - £488,269 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 30 September 2021 and are signed on its behalf by:

Dr G Wylie  
Director

Company Registration No. 08236413

## MRN INFLECTION LTD

### GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>		1,490	1,570,497	200	(154,075)	1,418,112
<b>Year ended 31 December 2019:</b>						
Profit and total comprehensive income for the year		-	-	-	737,078	737,078
Dividends	11	-	-	-	(349,600)	(349,600)
Own shares acquired		-	-	-	(4,000)	(4,000)
Redemption of shares	27	-	-	2	-	2
Reduction of shares	27	(2)	-	-	-	(2)
<b>Balance at 31 December 2019</b>		1,488	1,570,497	202	229,403	1,801,590
<b>Year ended 31 December 2020:</b>						
Profit and total comprehensive income for the year		-	-	-	5,336,073	5,336,073
Issue of share capital	27	10	-	-	-	10
Dividends	11	-	-	-	(517,307)	(517,307)
Own shares acquired		-	-	-	(174,740)	(174,740)
Redemption of shares	27	-	-	22	-	22
Reduction of shares	27	(22)	-	-	-	(22)
<b>Balance at 31 December 2020</b>		1,476	1,570,497	224	4,873,429	6,445,626

The notes on pages 19 to 43 form part of the financial statements.

## MRN INFLECTION LTD

### COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>		1,490	1,475,017	200	148,387	1,625,094
<b>Year ended 31 December 2019:</b>						
Profit and total comprehensive income for the year		-	-	-	488,269	488,269
Dividends	11	-	-	-	(349,600)	(349,600)
Own shares acquired		-	-	-	(4,000)	(4,000)
Redemption of shares	27	-	-	2	-	2
Reduction of shares	27	(2)	-	-	-	(2)
<b>Balance at 31 December 2019</b>		1,488	1,475,017	202	283,056	1,759,763
<b>Year ended 31 December 2020:</b>						
Profit and total comprehensive income for the year		-	-	-	411,271	411,271
Issue of share capital	27	10	-	-	-	10
Dividends	11	-	-	-	(517,307)	(517,307)
Own shares acquired		-	-	-	(174,740)	(174,740)
Redemption of shares	27	-	-	22	-	22
Reduction of shares	27	(22)	-	-	-	(22)
<b>Balance at 31 December 2020</b>		1,476	1,475,017	224	2,280	1,478,997

The notes on pages 19 to 43 form part of the financial statements.

# MRN INFLECTION LTD

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	38	5,374,869		1,983,330	
Interest paid		(152,328)		(126,073)	
Taxes paid		(255,723)		(48,139)	
<b>Net cash inflow from operating activities</b>		<b>4,966,818</b>		<b>1,809,118</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(135,186)		(222,564)	
Purchase of tangible fixed assets		(1,212,540)		(287,043)	
Proceeds on disposal of tangible fixed assets		1,636		14,787	
Interest received		484		10	
<b>Net cash used in investing activities</b>		<b>(1,345,606)</b>		<b>(494,810)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		10		-	
Purchase of own shares		(174,740)		(4,000)	
Proceeds from borrowings		-		132,109	
Repayment of borrowings		(276,770)		(579,143)	
Purchase of derivatives		-		(355,446)	
Payment of finance leases obligations		(41,720)		(31,808)	
Dividends paid to equity shareholders		(517,307)		(349,600)	
<b>Net cash used in financing activities</b>		<b>(1,010,527)</b>		<b>(1,187,888)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>2,610,685</b>		<b>126,420</b>	
Cash and cash equivalents at beginning of year		385,712		259,292	
<b>Cash and cash equivalents at end of year</b>		<b>2,996,397</b>		<b>385,712</b>	

The notes on pages 19 to 43 form part of the financial statements.

# MRN INFLECTION LTD

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	37	780,912		374,993	
Taxes paid		(88,875)		(25)	
		<u>692,037</u>		<u>374,968</u>	
<b>Net cash inflow from operating activities</b>					
		692,037		374,968	
<b>Investing activities</b>					
Purchase of subsidiaries		-		(21,368)	
		<u>-</u>		<u>(21,368)</u>	
<b>Net cash used in investing activities</b>					
			-		(21,368)
<b>Financing activities</b>					
Proceeds from issue of shares	10			-	
Purchase of treasury shares		(174,740)		(4,000)	
Dividends paid to equity shareholders		(517,307)		(349,600)	
		<u>(692,037)</u>		<u>(353,600)</u>	
<b>Net cash used in financing activities</b>					
			(692,037)		(353,600)
<b>Net increase in cash and cash equivalents</b>					
			-		-
Cash and cash equivalents at beginning of year			-		-
			<u>-</u>		<u>-</u>
<b>Cash and cash equivalents at end of year</b>					
			<u>-</u>		<u>-</u>

The notes on pages 19 to 43 form part of the financial statements.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

MRN Inflection Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Talon House, Presley Way, Crownhill, Milton Keynes, Bucks. MK8 0ES.

The group consists of MRN Inflection Limited and all of its subsidiaries. Further information is presented at note 15.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of MRN Inflection Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a good expectation that the group has adequate resources to continue in operational existence for the foreseeable future for at least 12 months from the approval of the financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The group has reacted to, and considered the impact of Covid19 on the organisation, not least on the growth plans. In the initial weeks following the announcement of the global pandemic, focus was on understanding the potential adverse impact on the demand for, and the group's ability to deliver, home visits and within this to ensure the group secured its short-term operational cash flow requirements. Initially the adverse impact on current contracts was small and subsequently the group has seen a significant increase in demand. The group has been approached and engaged in a significant number of new business opportunities, these are from both existing and new customers.

At the year end the group's turnover increased from the prior year by 82% to £38 million, profit before tax has increased to £7 million and the group has strong cash balances. The directors now consider that in 2021 any adverse impact of Covid19, has been more than offset by the increased activity in existing projects, along with new opportunities the group has been awarded. Therefore, the directors expect the group will exceed its 2021 sales budget with sufficient working capital for at least 12 months of the approval of the financial statements to achieve this.

In March 2021, the group obtained additional cash to facilitate its growth projections by securing debt of £3 million. The group is therefore well placed in terms of cash facilities and headroom.

The group plans to recruit more people to meet additional demand, the costs of which will be borne from the additional profit generated by the increased turnover along with the debt facility now in place.

For the reasons set out above, the directors have concluded that there are no material uncertainties related to going concern.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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.

Turnover from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

MIS/SIS Project	5 Years
Software Upgrade	5 Years / no amortisation in implementation phase

### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	16.67% straight line
Plant and equipment	33% straight line
Fixtures and fittings	33% straight line
Computers	33% and 20% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

#### 1.10 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.13 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 profit and loss account 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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 law and the corporation tax rates that have been enacted, or substantially enacted, at 31 December 2020. For the year ended 31 December 2020, the substantively enacted rate of 19% has been utilised to calculate the closing deferred taxation balances. A rate of 25% corporation tax was substantively enacted on 24 May 2021 and will apply from 1 April 2023.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (Continued)

#### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.16 Share-based payments

The company has entered into an equity settled share based payment plan for certain group employees.

In accordance with FRS 102 transition exemptions applicable to the company at the date of transition, the company is not required to disclose liabilities arising from equity instruments granted prior to the first reporting period in which the company adopted FRS 102. Therefore, no liabilities are recognised for equity instruments granted before 1st November 2015.

The group has not granted any equity options after 1st November 2015 and therefore there is no further accounting policy to note.

#### 1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.19 Factored debts

The group utilises a debt factoring arrangement whereby substantially all of the benefits and risks of the factored debts are retained by the group. It is therefore appropriate to adopt a separate presentation whereby gross factored debts are included on the balance sheet within debtors and a corresponding liability in respect of the proceeds received from the factor is shown within secured liabilities. Factoring charges are recognised as they accrue and included within bank charges and similar charges.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Project accruals

Project accruals are estimate the difference between amounts invoiced and % of project completed. The calculation involves making assumptions about stage of completion of projects which is subject to management judgement.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020	2019
	£	£
<b>Turnover</b>		
Sales	38,031,736	20,895,200
	<u>                    </u>	<u>                    </u>
<b>Other significant revenue</b>		
Interest income	484	10
	<u>                    </u>	<u>                    </u>
<b>Turnover analysed by geographical market</b>		
	2020	2019
	£	£
United Kingdom	8,333,861	3,435,469
USA	29,319,162	16,799,279
Europe	378,713	660,452
	<u>                    </u>	<u>                    </u>
	38,031,736	20,895,200
	<u>                    </u>	<u>                    </u>

All turnover is attributable to the group's principal activity.

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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4 Operating profit	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	421,651	244,842
Depreciation of owned tangible fixed assets	299,519	205,981
Loss on disposal of tangible fixed assets	50,868	15,446
Amortisation of intangible assets	108,476	77,473
Operating lease charges	411,334	376,035
	<u>          </u>	<u>          </u>

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	8,850	5,400
Audit of the company's subsidiaries	20,650	12,600
	<u>29,500</u>	<u>18,000</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020	2019	Company 2020	2019
	Number	Number	Number	Number
	<u>169</u>	<u>125</u>	<u>2</u>	<u>2</u>

The prior year employee numbers have been restated from 152 to 125 to remove subcontractors and ensure consistent disclosures with the year ended 31 December 2020.

Their aggregate remuneration comprised:

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Wages and salaries	10,673,634	7,207,410	14,400	14,400
Social security costs	1,212,094	730,522	-	-
Pension costs	763,110	553,156	14,332	13,880
	<u>12,648,838</u>	<u>8,491,088</u>	<u>28,732</u>	<u>28,280</u>

### 7 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	70,989	54,618
Company pension contributions to defined contribution schemes	14,332	13,880
	<u>85,321</u>	<u>68,498</u>

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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**7 Directors' remuneration** **(Continued)**

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2, (2019: 2).

As total directors' remuneration was less than £200,000 in the current period and prior period, no disclosure is provided for these periods.

**8 Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	62	10
Other interest income	422	-
	<u>484</u>	<u>10</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>62</u>	<u>10</u>
--	-----------	-----------

**9 Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	10,756	5,197
Interest on finance leases and hire purchase contracts	8,059	6,546
Interest on invoice finance arrangements	131,037	112,994
	<u>149,852</u>	<u>124,737</u>
<b>Other finance costs:</b>		
Other interest	2,476	1,336
	<u>152,328</u>	<u>126,073</u>

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,084,705	-
Adjustments in respect of prior periods	(434)	-
Other taxes	875	25
Total UK current tax	<u>1,085,146</u>	<u>25</u>
Foreign current tax on profits for the current period	117,177	69,316
Adjustments in foreign tax in respect of prior periods	(6,046)	(25,140)
Total current tax	<u>1,196,277</u>	<u>44,201</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>159,739</u>	<u>56,223</u>
Total tax charge	<u>1,356,016</u>	<u>100,424</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	<u>6,692,089</u>	<u>837,502</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,271,497	159,125
Tax effect of expenses that are not deductible in determining taxable profit	16,126	6,002
Tax effect of utilisation of tax losses not previously recognised	-	(13,190)
Adjustments in respect of prior years	(7,587)	(24,729)
Depreciation on assets not qualifying for tax allowances	36,097	2,360
Effect of overseas tax rates	39,008	16,284
Deferred tax adjustments in respect of prior years	-	(45,453)
Other taxes	875	25
Tax expense for the year	<u>1,356,016</u>	<u>100,424</u>

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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11	Dividends			
			2020	2019
			£	£
	Interim paid		517,307	349,600
			<u>          </u>	<u>          </u>
12	Intangible fixed assets			
	Group	MIS/SIS Project	Software Upgrade	Total
		£	£	£
	<b>Cost</b>			
	At 1 January 2020	257,242	224,982	482,224
	Additions	45,500	89,686	135,186
	At 31 December 2020	<u>302,742</u>	<u>314,668</u>	<u>617,410</u>
	<b>Amortisation and impairment</b>			
	At 1 January 2020	67,453	49,550	117,003
	Amortisation charged for the year	57,469	51,007	108,476
	At 31 December 2020	<u>124,922</u>	<u>100,557</u>	<u>225,479</u>
	<b>Carrying amount</b>			
	At 31 December 2020	<u>177,820</u>	<u>214,111</u>	<u>391,931</u>
	At 31 December 2019	<u>189,789</u>	<u>175,432</u>	<u>365,221</u>

The company had no intangible fixed assets at 31 December 2020 or 31 December 2019.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2020	170,592	141,635	909	753,010	15,505	1,081,649
Additions	466,946	150,052	-	595,542	-	1,212,540
Disposals	(155,071)	(73,223)	-	-	-	(228,294)
At 31 December 2020	482,467	218,464	909	1,348,552	15,505	2,065,895
<b>Depreciation and impairment</b>						
At 1 January 2020	99,149	117,635	503	417,939	15,505	650,729
Depreciation charged in the year	22,082	19,721	300	257,416	-	299,519
Eliminated in respect of disposals	(105,214)	(70,576)	-	-	-	(175,790)
At 31 December 2020	16,017	66,780	803	675,355	15,505	774,458
<b>Carrying amount</b>						
At 31 December 2020	466,450	151,684	106	673,197	-	1,291,437
At 31 December 2019	71,443	24,000	406	335,071	-	430,920

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

### 14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	25,999	25,999
<b>Movements in fixed asset investments</b>					
<b>Company</b>					
<b>Shares in subsidiaries</b>					
<b>£</b>					
<b>Cost or valuation</b>					
At 1 January 2020 and 31 December 2020					25,999
<b>Carrying amount</b>					
At 31 December 2020					25,999
At 31 December 2019					25,999

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Medical Research Network Limited	Talon House, Presley Way, Crownhill, Milton Keynes, Bucks. MK8 0ES	Provision of clinical trials	Ordinary	100	0
Medical Research Network Spain SL	Lope de Haro, 3, Piso 1 B, 28039 Madrid, Spain	Provision of clinical trials	Ordinary	100	0
MRN Inc	501 Silverside Road, STE 82, Wilmington, New Castle, 19809, Delaware USA	Provision of clinical trials	Ordinary	100	0
MRN Medical Research Network GmbH	Koningstrase 10c, 70173 Stuttgart	Provision of clinical trials	Ordinary	100	0

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Medical Research Network Limited	4,641,567	4,413,519
Medical Research Network Spain SL	13,063	33,377
MRN Inc	258,635	507,210
MRN Medical Research Network GmbH	11,537	38,521

The investments in subsidiaries are all stated at cost.

#### 16 Stocks

	Group	2019	Company	2019
	2020	2019	2020	2019
	£	£	£	£
Finished goods and goods for resale	119,349	10,184	-	-

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 17 Financial instruments

	Group 2020	2019	Company 2020	2019
	£	£	£	£
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	10,708,225	4,783,219	1,516,347	1,760,586
Equity instruments measured at cost less impairment	-	-	25,999	25,999
	<u>10,708,225</u>	<u>4,783,219</u>	<u>1,542,346</u>	<u>1,786,585</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	6,221,365	4,242,980	32,696	26,637
	<u>6,221,365</u>	<u>4,242,980</u>	<u>32,696</u>	<u>26,637</u>

### 18 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	8,845,192	67,832	-	-
Factored debtors	-	4,552,770	-	-
Corporation tax recoverable	-	79,808	-	-
Amounts due from subsidiary undertakings	-	-	1,516,347	1,745,586
Other debtors	389,442	284,269	-	15,000
Prepayments and accrued income	1,895,834	387,162	-	-
	<u>11,130,468</u>	<u>5,371,841</u>	<u>1,516,347</u>	<u>1,760,586</u>
Deferred tax asset (note 24)	-	55	-	55
	<u>11,130,468</u>	<u>5,371,896</u>	<u>1,516,347</u>	<u>1,760,641</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	-	13,858	-	-
Prepayments and accrued income	1,256	336	-	-
	<u>1,256</u>	<u>14,194</u>	<u>-</u>	<u>-</u>
<b>Total debtors</b>	<u>11,131,724</u>	<u>5,386,090</u>	<u>1,516,347</u>	<u>1,760,641</u>

Amounts due from group undertakings are unsecured, repayable on demand and free from interest charges.

# MRN INFLECTION LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Obligations under finance leases	21	58,581	43,292	-	-
Other borrowings	22	55,720	281,934	-	-
Trade creditors		3,644,519	2,357,536	-	-
Amounts owed to group undertakings		-	-	25,157	24,025
Corporation tax payable		870,395	9,649	30,533	-
Other taxation and social security		691,919	135,027	120	240
Deferred income	23	1,485,626	332,658	-	-
Other creditors		457,253	237,816	-	-
Accruals		1,996,065	1,214,837	7,539	2,612
		<u>9,260,078</u>	<u>4,612,749</u>	<u>63,349</u>	<u>26,877</u>

### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Obligations under finance leases	21	-	57,009	-	-
Other borrowings	22	-	50,556	-	-
Accruals and deferred income		9,227	-	-	-
		<u>9,227</u>	<u>107,565</u>	<u>-</u>	<u>-</u>

### 21 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	58,581	43,292	-	-
In two to five years	-	57,009	-	-
	<u>58,581</u>	<u>100,301</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

At the reporting date the company had agreed with the lease provider to repay the debt in January 2021, therefore all liabilities for settlement were accrued at the reporting date and shown in current liabilities.

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 22 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other loans	55,720	97,223	-	-
Directors loans	237,528	112,233	-	-
Factoring loans	-	235,267	-	-
	<u>293,248</u>	<u>444,723</u>	<u>-</u>	<u>-</u>
Payable within one year	293,248	394,167	-	-
Payable after one year	-	50,556	-	-
	<u>293,248</u>	<u>394,167</u>	<u>-</u>	<u>-</u>

Factoring loans amounting to £0. (2019: £235,267) are secured by way of a fixed and floating charge over the group's current and future assets.

Factoring loans are repaid following sales receipts being received into the group.

Director's loans are not subject to any formal agreement.

Other loans totalling £55,720 (2019: £97,223) are not subject to any security.

#### 23 Deferred income

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other deferred income	<u>1,485,626</u>	<u>332,658</u>	<u>-</u>	<u>-</u>
Deferred income is included in the financial statements as follows:				
Current liabilities	<u>1,485,626</u>	<u>332,658</u>	<u>-</u>	<u>-</u>
	<u>1,485,626</u>	<u>332,658</u>	<u>-</u>	<u>-</u>

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020	Liabilities 2019	Assets 2020	Assets 2019
Group	£	£	£	£
Accelerated capital allowances	215,966	69,329	-	-
Tax losses	-	(5,567)	-	-
Retirement benefit obligations	(59)	(7,539)	-	55
	<u>215,907</u>	<u>56,223</u>	<u>-</u>	<u>55</u>
	Liabilities 2020	Liabilities 2019	Assets 2020	Assets 2019
Company	£	£	£	£
Retirement benefit obligations	-	-	-	55
	<u>-</u>	<u>-</u>	<u>-</u>	<u>55</u>
			Group 2020	Company 2020
Movements in the year:			£	£
Liability/(Asset) at 1 January 2020			56,168	(55)
Charge to profit or loss			159,739	55
Liability at 31 December 2020			<u>215,907</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 6 years and relates mainly to accelerated capital allowances, offset by retirement benefits.

At the balance sheet date the group had unused tax losses totalling £0, (2019: £29,297).

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 25 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	763,110	553,156

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the balance sheet date the group had a pension liability amounting to £306, (2019: £49,040).

#### 26 Share-based payment transactions

The company has an equity settled share based payment plan in place with certain employees of the group.

In accordance with FRS 102 transition exemptions applicable to the company at the date of transition, the company is not required to disclose liabilities arising from equity instruments granted prior to the first reporting period in which the company adopted FRS 102. Therefore, no liabilities are recognised for equity instruments granted before 1st November 2015.

The group has not granted any equity options after 1st November 2015 and therefore there is no liability recognised in respect of share based payments.

Group and company	Number of share options		Weighted average exercise price	
	2020 Number	2019 Number	2020 £	2019 £
Outstanding at 1 January 2020	5,354	5,354	0.01	0.01
Exercised	(942)	-	0.01	-
Outstanding at 31 December 2020	4,412	5,354	0.01	0.01
Exercisable at 31 December 2020	2,882	3,774	0.01	0.01

The weighted average share price at the date of exercise for share options exercised during the year was £0.01 (2019: no options exercised).

The options outstanding at 31 December 2020 had an exercise price of £0.01 per share, and a remaining contractual life between 2 and 5 years.

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 27 Share capital

	Group and company	
	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
32,700 A Preferred shares of 1p each	327	327
18,233 B Ordinary shares of 1p each (2019: 19,467)	183	195
96,683 C Ordinary shares of 1p each	966	966
	<u>1,476</u>	<u>1,488</u>

The company has 3 classes of shares as follows:

- A Preferred shares
- B Ordinary shares
- C Ordinary shares

The B Ordinary shares do not carry any voting rights. The A Preferred shares and Ordinary C shares rank equally for voting rights.

All classes rank equally for any dividend declared.

Each A Preferred share ranks in priority to any other class of share for any distributions made on winding up or other distribution of capital.

No class of share is redeemable.

As noted in the directors' report, during the year the company purchased and cancelled 2,176 ordinary B shares for cash consideration of £174,740.

Also during the year the company issued 942 ordinary B shares at nominal value of £0.01 per share.

#### 28 Share premium account

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
At beginning and end of year	<u>1,570,497</u>	<u>1,570,497</u>	<u>1,475,017</u>	<u>1,475,017</u>

Share premium represents the premium arising on issue of equity shares, net of issue costs.

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 29 Capital redemption reserve

	Group 2020 £	2019 £	Company 2020 £	2019 £
At beginning of year	202	200	202	200
Transfers	22	2	22	2
At end of year	<u>224</u>	<u>202</u>	<u>224</u>	<u>202</u>

The capital redemption reserve represents the share capital at par which has been re-purchased by the company.

#### 30 Profit and loss reserves

	Group 2020 £	2019 £	Company 2020 £	2019 £
At the beginning of the year	229,403	(154,075)	283,056	148,387
Profit for the year	5,336,073	737,078	411,271	488,269
Dividends	(517,307)	(349,600)	(517,307)	(349,600)
Own shares acquired	(174,740)	(4,000)	(174,740)	(4,000)
At the end of the year	<u>4,873,429</u>	<u>229,403</u>	<u>2,280</u>	<u>283,056</u>

The profit and loss reserve represents all current and prior period cumulative profits and losses.

#### 31 Financial commitments, guarantees and contingent liabilities

The group has in prior years purchased forward foreign currency contracts to hedge currency exposure on firm future commitments. No such agreements were entered into in 2020 or 2019.

There were not commitments outstanding at the current or prior reporting date.

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 32 Operating lease commitments

##### Lessee

Operating lease payments represent rentals payable by the company for certain of its properties & cars.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	411,489	248,668	-	-
Between two and five years	881,667	149,037	-	-
	<u>1,293,156</u>	<u>397,705</u>	<u>-</u>	<u>-</u>

#### 33 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel, some of whom are also directors, is as follows.

	2020 £	2019 £
Aggregate compensation	<u>616,750</u>	<u>649,839</u>

No guarantees have been given or received.

##### Other information

World Courier Management Limited is a minority shareholder with preferential shares in the company. The group trades with members of the World Courier Group under normal market conditions.

During the year the group purchased goods and services from the World Courier Group totalling £4,882,597 (2019: £2,806,150). At the balance sheet date a purchase ledger balance of £1,530,098 (2019: £582,489) was outstanding and held in creditors. Also at the balance sheet date an amount of £343,605 (2019: £90,000) was due to the group from the World Courier Group in respect of rebate credits receivable by the group.

The group has elected not to disclose transactions with fellow group companies in accordance with FRS 102.

## **MRN INFLECTION LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **34 Directors' transactions**

Dividends totalling £517,307 (2019: £349,600) were paid in the year in respect of shares held by the company's directors.

During the year Dr G Wylie charged the company interest totalling £2,261, (2019: £1,246) on loans to the company. At the balance sheet date the company owed Dr G Wylie £237,528, (2019: £112,233).

Included in trade creditors are amounts owing to the directors for expenses paid on behalf of the company totalling £270, (2019: £0).

It is expected that the loan will be repaid within the next 12 months with interest charged of 2%.

#### **35 Controlling party**

There is no ultimate controlling party of MRN Inflection Limited. However, Dr G Wylie has control by virtue of his majority family shareholding in the company.

#### **36 Events after the reporting date**

After the reporting date but before the date of signing these accounts, the company entered into the following equity transactions:

1st February 2021: Allotment of 3,201 ordinary B shares at par value as a result of employee share option exercises.

2nd March 2021: Purchase and cancellation of 11,402 ordinary B shares for cash consideration totalling £2,948,904.

2nd March 2021: Ordinary C shares were re-designated into A-2 preferred shares.

2nd March 2021: Allotment of 14,678 A-2 preferred shares for cash consideration totalling £4,499,981.

A-2 preferred shares rank equally with preferred shares in priority to any other class of share for a distribution of capital.

These transactions supersede contracts that were entered into in the prior and current year which provided the company with the option to acquire shares from minority shareholders in tranches, the last of which was due on 31st December 2022.

Additionally and in line with the group's planned growth, the group has entered into the following debt transactions after the balance sheet date:

In March 2021 the company obtained additional cash to facilitate its growth projections by securing debt of £3 million. The company is therefore well placed in terms of cash facilities and headroom.

Lastly, in line with the Group's planned expansion, on 29th June 2021 the company incorporated a subsidiary in Japan with an initial capital investment of £65,031 (10,000,000 Japanese Yen).

There are no other significant post balance sheet events.

## MRN INFLECTION LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

**37 Cash generated from operations - company**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	411,271	488,269
<b>Adjustments for:</b>		
Taxation charged	119,463	25
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	244,239	(135,670)
Increase in creditors	5,939	22,369
<b>Cash generated from operations</b>	<u>780,912</u>	<u>374,993</u>

**38 Cash generated from group operations**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	5,336,073	737,078
<b>Adjustments for:</b>		
Taxation charged	1,356,016	100,424
Finance costs	152,328	126,073
Investment income	(484)	(10)
Loss on disposal of tangible fixed assets	50,868	15,446
Amortisation and impairment of intangible assets	108,476	77,473
Depreciation and impairment of tangible fixed assets	299,519	205,981
<b>Movements in working capital:</b>		
(Increase) in stocks	(109,165)	(4,236)
(Increase) in debtors	(5,825,497)	(1,262,042)
Increase in creditors	2,853,767	1,869,078
Increase in deferred income	1,152,968	118,065
<b>Cash generated from operations</b>	<u>5,374,869</u>	<u>1,983,330</u>

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