Bionical Solutions Limited

Annual report and financial statements

Registered number 04313379

31 December 2021

Contents

Company information

Directors	AT Borkowski G Davies H Miles
Registered number	04313379
Registered office	The Piazza Mercia Marina Findern Lane Willington Derbyshire DE65 6DW
Independent auditor	Mazars LLP Park View House 58 The Ropewalk Nottingham NG1 5DW

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The Company's principal activity is the provision of healthcare services.

The Company enables clients to improve patient outcomes through innovative solutions that enhance engagement and drive behaviour change. Bionical Solutions operates through two business units: Communications and Health Outcomes.

Communications provides a range of digital, business and commercialisation support services. They include development of digital content, platforms, software and communications as well as the provision of sales teams, multi-channel sales and contact centre services for pharma and healthcare clients. The Communications business unit has continued to expand US and EU operations with investment in key personnel and development of additional proprietary software platforms. This infrastructure together with previously developed platforms and an expanded client base, will support the mid-term growth strategy in the US and EU.

Health Outcomes provides nurse and healthcare practitioner led services designed to optimise patient outcomes and experience. Services delivered for the year ended 31 December 2021 included NHS, public health and lifestyle services including clinical home healthcare, HCP and patient engagement, nurse education teams, service assessment and design, consultation support software and virtual & digital programmes. During 2021 Health Outcomes secured several new major contracts supporting patients with Renal and Home Nutritional requirements as well as providing labour to support the government study into the prevalence of coronavirus in the community.

Results and dividends

The Profit for the year, after taxation, amounted to £ 1,021,000 *(2020: £ 1,990,000).* Dividends of £1,000,000 *(2020: £ nil)* were paid during the year.

Directors

The directors who served during the year and up to the date of this report were:

AT Borkowski
G Davies
H Miles

Future developments

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report on page 4.

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out in the Company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Qualifying third party indemnity provisions

The Company has in place indemnity insurance for Directors.

Directors' report *(continued)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirms that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Mazars LLP will therefore continue in office.

This report has been prepared in accordance with the special provisions relating to small companies within Part 315A of the Companies Act 2006.

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

A.T. Borkowski

AT Borkowski
Director

Date: 5th August 2022

Strategic report

Business review and key financial performance indicators

Within this report the directors aim to present a fair, balanced and comprehensive review of the development and performance of the business during the period and its position at the period end. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties the Company faces.

Bionical Solutions Limited is part of the Bionical Solutions Group which is a leading independent healthcare service provider and comprises of a number of companies offering a variety of complementary services. All having the same overriding commitment to improving patient outcomes.

The Company's healthcare services include the following:

- Health outcomes: nurse and healthcare practitioner led services designed to optimise patient outcomes and experience. NHS, public health and lifestyle services including clinical home healthcare, HCP and patient engagement, nurse education teams, service assessment and design, consultation support software, virtual & digital programmes as well as some clinical trial/study support;
- Communications: a range of business and commercialisation support services in the UK and USA. They include the provision of sales teams, multi-channel sales and contact centre services for pharma and healthcare clients. As well as digital communications from mobile apps to website development and integrated healthcare management platforms, insight consultancy, HealthTech, creative and branding.

At the heart of all these services lies a common aim – improved outcomes. For both clients and patients, this is achieved by improving access to and impact of medicines, and through patient focus, enhancing communication and optimising behaviour. The company achieves this in a unique way. In all its activities, the company leverages its in-house behavioural change expertise and employs compelling behavioural and engagement techniques to accelerate positive behavioural change.

The Company uses a number of financial measures to monitor progress against strategies and corporate objectives. These are summarised below:

	2021	2020
	£000	£000
Turnover	34,755	22,009
Gross margin	9,259	7,027
Adjusted EBITDA	2,213	2,683
Cash at bank and in hand	1,185	931
Net assets excluding loans falling due after more than one year	2,213	2,586

Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation, excluding non-underlying costs and related party transactions.

As we are a service organisation and people are key, we continued our strategic investment in the appointment of key personnel during the year, in order to support the continued future growth of the Company. There are still significant further synergy and efficiency gains to be made from this investment, notably in the management of multi channel resources focused on growing contracts, which will materialise through the increased efficiency of gross margin to operating profit in 2022 and beyond.

Management, with both the successful ongoing implementation of their long term strategic plans and the continued support of the group's private equity investors, are confident of a significant enhancement in both sustainable revenue and profitability in 2022 and beyond.

The Company believes its strategic objectives to grow in its existing markets plus looking to diversify into adjacent markets will support the long-term strategic growth. Covid has reshaped certain customers requirements and the company is well placed to react to these changes.

Strategic report *(continued)*

Principal risks and uncertainties

The Company's risk management process includes an assessment of the likelihood and potential impact of a range of events to determine the overall risk level and to identify actions necessary to mitigate their impact. The following risks have been identified as ones which could have a material impact on the future financial performance of the Company and cause results to differ materially from expected and historical results. Additional risks which are not currently known or which are regarded as immaterial could also affect future performance.

Impact of Coronavirus Pandemic

The Company's primary concern is the health and safety of its employees and as such closed the offices in 2020 and introduced working from home. During the various lockdown restrictions the Company has continued to perform successfully. With the easing of restrictions in 2021 into 2022 the Company has moved to a hybrid home and office working model most effectively. As a Company engaged within the healthcare sector our customers are keen to maintain their services to ensure that patient outcomes are not compromised. Therefore operationally there has been little negative impact.

The Company regularly reviews its cashflow and has produced several sensitivities to assess the risks. Operationally the Company believes it is well placed to assist the NHS with coronavirus type pandemics by assisting in reducing patient visits into primary healthcare (due to remote patient care), improving the pharmaceutical companies reach of products via our digital communication channels and reducing face to face marketing for pharmaceutical companies via our multi channel engagement business unit.

The majority of the Company's customers are global pharmaceutical companies who are viewed as low risk in terms of insolvency.

Invasion of Ukraine and Russian Sanctions

In February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessments

Exposure to Price, Credit and Liquidity risk

The Company monitors the risks posed by price, credit and liquidity regularly via monthly Board Meetings. This helps to ensure that adequate safeguards can be implemented should any risk become significant enough to warrant action. These include operational reviews on key contracts, financial reviews of recent performance, regular reforecasting (including identification of opportunities and risks) and commercial reviews of new tenders.

Cash flow risk

The directors monitor the cashflow forecast every month for the next calendar year. This forecast shows any requirement for working capital injections and enables the Directors to proactively manage any risks and opportunities and seek alternate sources of finance if required.

Scenarios can then be discussed to see if any particular inflows would require additional funding to be required.

Financial risk management

The Company's operations expose it to a variety of financial risks including the effects of credit risk, exchange rate risk and interest rate risk. The directors mitigate these risks by ensuring that the Company is operated in a financially responsible manner, ensuring external debt is kept to a minimum and hedging against foreign exchange rate fluctuations where possible.

Market and customer related risk

The Company supplies services and products to the corporate and public sector markets and is affected by macro-economic conditions. The directors seek to mitigate risks by seeking to minimise its cost base and adapt to market conditions when adverse market events occur and by monitoring credit exposures.

Strategic report *(continued)*

Considering the risks and uncertainties the Company has identified, we are aware that any plans for the future development of the business may be subject to unforeseen events outside our control.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business review section of the Strategic report on page 5. The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a 12 month period from the date of approval of these financial statements and such forecasts have indicated that sufficient funds should be available to enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Support has been received from the Groups owners regarding future necessary cash flow injection requirements to support the growth in the business. Additionally the company has a strong order book with over 70% sales already contracted and has been successful in winning several major long term contracts since the year end.

Post balance sheet events

There has been a non adjusting post balance sheet event in Feb 2022 due to the ongoing war in Ukraine. Further details can be found in note 21.

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

AT Borkowski
Director

Date: 5th August 2022

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:
• select suitable accounting policies for the Company's financial statements and then apply them consistently;
• make judgments 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Bionical Solutions Limited

Opinion

We have audited the financial statements of Bionical Solutions Limited (the 'company') for the year ended 31 December 2021 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity, Statement of cash flows, Analysis of net debt 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 company's affairs as at 31 December 2021 and of its 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 directors' 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.

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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

In 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 or the directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut off assertion subject to your revenue recognition significant fraud risk), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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.

A. Hickson

Andrew Hickson (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Park View House
The Ropewalk
Nottingham
NG1 5DW

Date: 23-Aug-2022

Profit and loss account
for the year ended 31 December 2021

	Note	**2021 £000**	**2020 £000**
Turnover	*3*	**34,755**	**22,009**
Cost of sales		**(25,496)**	**(14,982)**
Gross profit		**9,259**	**7,027**
Administrative expenses		**(7,046)**	**(4,344)**
Operating profit		**2,213**	**2,683**
Interest payable and similar expenses	*7*	**(889)**	**(455)**
Profit before tax		**1,324**	**2,228**
Tax on profit	*8*	**(303)**	**(238)**
Profit for the year		**1,021**	**1,990**
Other comprehensive income for the period		**-**	**-**
Total comprehensive income for the period		**1,021**	**1,990**

There were no recognised gains or losses in either the current or prior year other than those disclosed in the profit and loss account. Accordingly, no separate statement of other comprehensive income has been presented.

Balance sheet
as at 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	*9*		**313**		33
Tangible assets	*10*		**505**		635
			818		668
Current assets					
Debtors falling due within one year	*12*	**7,477**		11,072	
Cash at bank and in hand		**1,185**		931	
		8,662		12,003	
Creditors: amounts falling due within one year	*13*	**(7,820)**		(10,084)	
Net current assets			**842**		1,918
Total assets less current liabilities			**1,660**		2,586
Creditors: Amounts falling due after more than one year	*14*		**-**		(950)
Deferred tax provision	*15*		**(75)**		(72)
Net assets			**1,585**		1,564
Capital and reserves					
Called up share capital	*16*		**1**		1
Profit and loss account			**1,584**		1,563
Shareholders' funds			**1,585**		1,564

The financial statements, prepared under the small companies regime, were approved and authorised for issue by the board and were signed on its behalf by:

A.T. Borkowski

AT Borkowski
Director

Date: 5th August 2022

Company registered number : 04313379

Company statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 31 December 2020	1	1,563	1,564
Total comprehensive income for the year			
Profit for the period		1,021	1,021
Dividend paid		(1,000)	(1,000)
At 31 December 2021	**1**	**1,584**	**1,585**

	Called up share capital £000	Profit and loss account £000	Total Equity £000
At 31 December 2019	1	(427)	(426)
Total comprehensive income for the year			
Profit for the period		1,990	1,990
At 31 December 2020	**1**	**1,563**	**1,564**

Profit and loss account

The Profit and loss account represents cumulative profits of the company.

Called up share capital

The called up share capital represents shares issued to shareholders of the company

Notes
(forming part of the financial statements)

1 Accounting policies

Bionical Solutions Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 04313379 and the registered address is The Piazza, Mercia Marina, Findern Lane, Willington, Derbyshire, DE65 6DW.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* as issued in March 2018. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's parent undertaking, Bionical Solutions Group Limited includes the Company in its consolidated financial statements as at 31 December 2021. The consolidated financial statements of Bionical Solutions Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from The Piazza, Mercia Marina, Findern Lane, Willington, Derbyshire, DE65 6DW. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Bionical Solutions Group Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements. Estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business review section of the Strategic report on page 5. The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a 12 month period from the date of approval of these financial statements and such forecasts have indicated that sufficient funds should be available to enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Support has been received from the Groups owners regarding future necessary cash flow injection requirements to support the growth in the business. Additionally the company has a strong order book with over 70% sales already contracted and has been successful in winning several major long term contracts since the year end.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3. Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account, within interest receivable and interest payable.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

1.4. Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. Transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values.

1.5. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes *(continued)*

1.6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired..

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Short-term leasehold property 10 years
- Plant, machinery, fixtures & fittings 3 - 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.7. Intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software 3 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

1.8. Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

1.9. Impairment excluding deferred tax assets (continued)

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

1 Accounting policies *(continued)*

1.10. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees

1.11. Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue includes the delivery of public health and lifestyle contracts, such as 'stop smoking' contracts. Revenue from the provision of this service is recognised when the amount of revenue and costs can be measured reliably and it is probable that the Company will receive the consideration due under the contract. The stage of completion is calculated using an output (time) basis. On certain contracts the amount of revenue receivable is dependent on outcomes determined in the contract, and performance against these outcomes are monitored on an on-going basis.

Revenue also includes the provision of software to pharmaceutical companies, including subsequent support, consumables and hosting. Revenue from the provision of the software is recognised when the risks and rewards of ownership of the software have transferred to the customer. Subsequent service revenues for support, consumables and hosting are recognised over the time period of the agreement.

Revenue also includes the provision of nursing teams and sales teams to customers. Revenue from these contracts is recognised when the amount of revenue and costs can be measured reliably and it is probable that the Company will receive the consideration due under the contract. The stage of completion is calculated using an output (time) basis.

1.12. Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest payable

Interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes *(continued)*

1 Accounting policies *(continued)*

1.13. Taxation

Tax on the profit or loss 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 directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Notes *(continued)*

2 Accounting estimates and judgements

Significant management judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

Significant management judgements

There are no management judgements in applying the accounting policies of the organisation that have had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Revenue

Included in the public health and lifestyle revenue stream are certain contracts where consideration receivable is dependent on performance outcomes against key performance indicators set out in the contract. The directors monitor the performance of the contract against these indicators on an on-going basis, and at each reporting period assess the amount of consideration that is expected to be receivable.

Notes *(continued)*

3 Turnover

All of the turnover relates to healthcare related services. Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	33,181	20,343
Rest of the World	1,574	1,666
	34,755	22,009

4 Expenses and auditor's remuneration

	2021 £000	2020 £000
Adjusted items in operating profit for the year		
Depreciation of tangible fixed assets (note 10)	306	207
Amortisation of intangible assets (note 9)	16	48
Operating lease costs	195	198

	2021 £000	2020 £000
Auditor's remuneration:		
Audit of these financial statements	33	30
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	5	4
Other tax advisory services	5	3
All other services	22	2

5 Employees

	2021 £000	2020 £000
Wages and salaries	19,626	10,754
Social security costs	2,055	1,051
Defined contribution pension schemes (note 17)	530	297
	22,211	12,102

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

	2021	2020
Operations	673	368

Notes *(continued)*

6 Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	**845**	553
Company contributions to defined contribution pension schemes	**68**	100
	913	653

During the year retirement benefits were accruing to two directors *(2020: two)* in respect of defined contribution pension schemes. The gross remuneration of the highest paid director was £000 377

7 Interest payable and similar expenses

	2021 £000	2020 £000
Net foreign exchange loss	**112**	23
Loan note interest to related parties	**469**	147
Management charges	**308**	285
	889	455

Notes *(continued)*

8 Taxation

	2021 £000	2020 £000
Corporation tax:		
Current tax on profit/(loss) for the year	**388**	218
Adjustment in respect of prior period	**(88)**	(15)
Total current tax	**300**	203
Deferred tax:		
Obligation and reversal of timing differences	**(39)**	79
Adjustment in respect of prior period	**15**	(43)
Effect of tax change on opening balance	**27**	(1)
Total deferred tax	**3**	35
	303	238

Factors affecting tax credit for the year

The tax charge assessed for the year is lower *(2020: lower)* than the standard rate of corporation tax in the UK of 19% *(2020: 19%)*. The differences are explained below:

	2021 £000	2020 £000
Profit for the year	**933**	1,990
Tax charge/(credit)	**391**	238
Profit before tax	**1,324**	2,228
Profit multiplied by standard rate of corporation tax in the UK of 19% *(2019: 19%)*	**252**	423
Effects of:		
Expenses not deductible for tax purposes	**103**	6
(Over)/Under provision in prior years	**(52)**	(65)
Group relief claimed	**-**	(39)
Deferred tax not recognised	**-**	(87)
Total tax charge/(credit) for the year	**303**	238

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25% for companies with taxable profits over £ 250,000.

Notes *(continued)*

9 Intangible assets

	Software £000
Cost:	
At 1 January 2021	177
Additions; Assets under construction	296
At 31 December 2021	473
Accumulated amortisation	
At 1 January 2021	144
Charge for the year	16
At 31 December 2021	160
Net book value	
At 31 December 2021	313
At 31 December 2020	33

10 Tangible fixed assets

	Plant, machinery, Fixtures and fittings £000
Cost or valuation:	
At 1 January 2021	1,338
Additions	176
At 31 December 2021	1,514
Accumulated depreciation:	
At 1 January 2021	703
Charge for the year	306
At 31 December 2021	1,009
Net book value	
At 31 December 2021	505
At 31 December 2020	635

11 Fixed asset investment

The Company has one 100% owned subsidiary undertaking, The Insight Lab Limited, which is incorporated in England in the UK, has the same registered address as the Company and is dormant. The carrying value of the investment is £nil *(2020: £nil)*.

Notes *(continued)*

12 Debtors

	2021	2020
	£000	£000
Trade debtors	**5,790**	7,313
Amounts owed by group undertakings	-	813
Other debtors	**184**	292
Prepayments and accrued income	**1,312**	2,654
Corporation Tax	**191**	-
	7,477	11,072

13 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	**713**	1,660
Amount owed to group undertakings	**3,813**	4,647
Taxation and social security	**1,036**	1,462
Accruals and deferred income	**1,250**	1,026
Other creditors	**1,008**	1,196
Corporation tax	-	93
	7,820	10,084

Amounts owed to group undertakings, due to Bionical Solutions Group Limited, are interest free and repayable on demand.

14 Creditors: Amounts falling due after more than one year

	2021	2020
	£000	£000
Amount owed to group undertakings	-	950
	-	950

15 Deferred tax liability

	2021	2020
	£000	£000
Accelerated capital allowances	**75**	72
	75	72

The amount of deferred taxation which is anticipated to reverse in the next financial year is £75,000 *(2020: 72,000).*

Notes *(continued)*

16 Share capital

	2021	2020
	£	£
Allotted, called up and fully paid:		
200 'A 'ordinary shares of £1 each	**200**	200
42 'B ordinary shares of £1 each	**42**	42
200 'C' ordinary shares of £1 each	**200**	200
200 'D' ordinary shares of £1 each	**200**	200
200'E' ordinary shares of £1 each	**200**	200
	842	842

All shares rank pari-passu.

17 Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £ 530,000 *(2020: £ 297,000).* Contributions totalling £108,000 *(2020: £79,000)* were payable to the fund at the year end and are included in creditors

18 Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Not later than one year	**171**	191
Later than one year but not later than five years	**60**	160
	231	351

The operating lease charge recorded in the profit and loss account in the year is £ 195,000 *(2020: £ 198,000).*

19 Ultimate parent company and ultimate controlling party

The ultimate parent company is Bionical Solutions Group Limited. The only group in which the results of the Company are included is that headed by Bionical Solutions Group Limited. Copies of the financial statements for Bionical Solutions Group Limited are available from Companies House.

AD Leaver is considered the ultimate controlling party of Bionical Solutions Group Limited, by virtue of owning more than 50% of the equity share capital.

20 Related party transactions

The Company has taken advantage of the exemption contained in Section 33 of FRS 102 – "Related Party Disclosures" and therefore has not disclosed transactions or balances with wholly owned members of the Bionical Solutions Group.

EMAS Pharma Limited is an entity in which AD Leaver has a controlling interest. During the year, Bionical Solutions Limited made sales of £,1385,000 (2020: 370,000) to the related party, with a debtor balance of £832,000 (2020: £Nil) outstanding at year end. Bionical Solutions Limited also made purchases of £228,000 (2020: £162,000) from the related party, with a creditor balance of £37,000 (2020: £Nil) outstanding at year end.

21 Non Adjusting Post Balance Sheet Event

Ukraine/Russia- In February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide.The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessments