

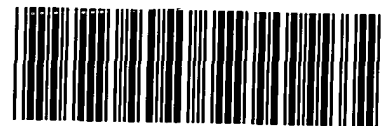
Registration number: 05949018

Bionic Services Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2023

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Bionic Services Limited

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Bionic Services Limited

Company Information

Director	Paul Galligan
Registered office	Minster Building 21 Mincing Lane 4th Floor London EC3R 7AG
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

Bionic Services Limited

Strategic Report for the Year Ended 31 March 2023

The director presents his strategic report for the year ended 31 March 2023.

Principal activity and review of the business

The principal activity of the company is to help small and medium-sized enterprises ("SMEs") save time and money on their business essentials. We leverage smart technology, data, and human expertise to help SMEs sort their business energy and connectivity.

Bionic Services Limited ("Bionic") uses tech-enabled human experts to provide comparison, switching and intermediary services for over 131,000 (2022 - 120,000) SMEs in the UK. The Company receives a commission from a vetted panel of suppliers for successfully switching customers to their services. The Company purpose is "Earning the lifetime loyalty of British Businesses" and we achieve this by being trusted to make switching and saving easy for our customers forever.

A summary of the results for the period and the financial position are set out in the financial statements on pages 16 and 18.

The Director plans to maintain the Company's position as a leading marketplace for comparison and switching in the UK. They will do this through the combination of smart technology with an industry leading team, and leveraging capabilities across a wider range of services.

On 16 February 2023, the Company and its wider group was acquired by OMERS Private Equity. OMERS Administration Corporation is now considered to be the ultimate controlling party. The Director believes that OMERS' Private Equity (as a private equity asset manager for OMERS Administration Corporation) knowledge and network will help accelerate the Group's growth.

Key performance indicators

The Company measures and monitors, on a weekly and monthly basis, a broad range of key performance indicators to ensure continuous improvement and progress towards achieving its strategic objectives. The Director is of the opinion that the following constitute the Company's key performance indicators:

- Revenue
- EBITDA
- Annual revenue retention rate
- Customer satisfaction, as measured by Net Promoter Score ("NPS")

Revenue continued to grow in the year, with growth rates of 20% YoY. Statutory revenue grew from £56.1m to £67.1m.

EBITDA was £2.1m (2022 - £8.6m) with an increase in customer sales with renewals of existing customers continuing alongside strong new business growth being offset against £4.3m of costs in relation to the sale of the group of which the company is part of.

Net revenue retention rates (measured as the value of contracts which renew with us compared to the previous sales value, on an annualised basis) remained high at 85% (2022 - 93%) showing the success of our Do It For You service and the level of customer service delivered.

Customer Net Promoter Score was consistently more than +80.

Highlights of the period included:

- Strong new business revenue growth at 20% despite the challenging energy market
- Maintaining strong renewal rates with existing customers through an improving proposition
- Maintaining strong relationships with suppliers through a difficult period for the energy market

Bionic Services Limited

Strategic Report for the Year Ended 31 March 2023

Principal risks and uncertainties

The director has identified principal risks and uncertainties faced by the Company. These are outlined below including an explanation on how these risks are managed and mitigation strategies implemented:

Threat and risk of cyber security attack could adversely impact business operations and customer trust

The Company faces the ongoing threat of being subject to a cyber security attack that could result in the loss or disclosure of customer data or potential downtime of systems. Any breach could adversely impact business operations and/or result in major data loss or lead to ransom demands, which would have a negative impact on reputation, reduce customer or partner trust and incur penalties or other costs. As the diversity, sophistication and complexity of cyber-attacks continues to increase, the Company continues to invest in relevant insurance, technology, staff training and awareness to mitigate the risk.

Uncertainty relating to the estimation of revenue by contract and accrued revenue recoverability

Revenue recognised is underpinned by a number of key assumptions, including, in some cases, the expected future energy consumption of customers, and the likelihood of a contract going live (live rate). This inherent uncertainty is further discussed within the revenue recognition accounting policy note. Uncertainty around consumption levels is greatest for new connections. Uncertainty around live rate has increased with the volatility and significant price increases that have been seen within the Energy market at certain points within the year.

The Company has established a number of mitigating processes and controls to review and improve accuracy of the values recognised, they include:

- Data cleanse process to confirm current consumption values with suppliers at the point of renewal;
- Use of external supplier data, with customer consent, to verify estimations within our digital journeys and on the phone where possible
- Dedicated Quality Assurance team who review sale documentation and values captured;
- Reporting and monitoring of the key assumptions used in revenue recognition including monthly reconciliation and reporting of actual live rate to estimate at the time of sale;
- Finance revenue meetings to review variances and track actual receipts to expected commissions; and
- Dedicated Compliance Team reviewing sales and entity processes and controls.

The impact of the Covid-19 pandemic on the UK economy has gradually receded however during the financial year there was material volatility within the UK Energy market resulting in very material increases for customers followed by government intervention to support UK SMEs with these costs. This volatility impacted the number of contracts going live, both positively and negatively, over the year. We estimated the impact of these uncertainties based on historical data.

Increased market competition

New and existing competition who are better at meeting and delivering customer needs could reduce the group's market share and growth opportunities. Maintenance and growth of customer acquisition coupled with servicing the needs of and retaining renewal customers is fundamental to protecting and growing market share.

The Company continues to invest in sources of lead acquisition, acquiring new partners and building on current partner relationships, as well as, innovative product offerings such as the Do it for You renewals service and new routes to market. The Company also regularly conducts monitoring and benchmarking against competitor service offerings and pricing to ensure a market leading proposition.

Bionic Services Limited

Strategic Report for the Year Ended 31 March 2023

Energy market conditions

The energy market has gone through unprecedented turbulence over the last year which could provide a credit risk if energy suppliers are unable to settle their debts with the company. The Company only works with a vetted panel of suppliers, including a continuing assessment of their credit worthiness.

In addition, the increase to market prices for electricity and gas may mean difficulties in obtaining competitive prices for customers. We work closely with energy suppliers to ensure we are able to meet customers' needs.

As noted above, the turbulence within the energy market has impacted live rates where contracts have been sold in advance of the contract start date, and prices have subsequently changed. In these circumstances, the Company works with both customers, suppliers and the regulator to deliver the best outcome for all parties.

Regulatory compliance

The Company is regulated by a number of regulatory bodies. We employ experienced and dedicated compliance personnel who monitor compliance across the Company. Non-compliance with the regulations could lead to fines or sanctions. Senior management encourage a culture of trust with our customers, and therefore ensure sufficient focus is placed on these compliance activities.

Loss of key management and/or the inability to recruit and retain employees

The inability to identify, recruit and retain skilled employees and ensure a continuous pipeline of new talent could negatively impact the performance, growth potential and quality of service provided to customers.

This is mitigated by:

- Experienced and established Senior Leadership Team;
- Investment in recruitment, training and induction;
- Engagement scores reviewed to respond to employee feedback; and
- Staff benefits programme and recognition and reward initiatives.

Strategic risks

The general economic environment and political uncertainty have the potential to impact the markets in which we operate. Reputational risk from customer claims, competitors, partners, suppliers and regulators could reduce our market share.

Monitoring and regular horizon scanning of the regulatory landscape ensure we are prepared for changes in the market.

Climate change

Climate-related issues are considered in terms of potential for contribution to these principal risks. The issues considered include both the risk of physical disruption to the business from climate change, and the risks and opportunities as the global economy transitions to significantly lower carbon emissions. In the current period, the Board concluded that climate-related risks did not rise to the level of a principal risk.

Bionic Services Limited

Strategic Report for the Year Ended 31 March 2023

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole having due regard in doing so for the matters set out in section 172(1) (a) to (f) in the Companies Act 2006.

The Board is fully aware of its responsibilities to promote the success of the company. A summary of how we deliver for our stakeholders is outlined below.

After weighing up all relevant factors, the Director considers which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders and balancing the interests of all stakeholder groups.

Stakeholder Group	Our Priorities	How we engage	2023 Activities & Outcomes
Customers Our purpose is to earn the lifetime loyalty of British businesses	We want our customers to smile when thinking about us Communicating with them on the benefits of saving money and hassle on their business essentials and being able to focus on growing their own businesses within their communities Ensuring their contracts are matched with new suppliers and switched with minimum hassle and with excellent communication throughout	We engage with our customers every day through our voice, email and digital communications channels. We track their engagement through NPS and trustpilot feedback and review this feedback monthly to improve our services and processes We conduct regular customer forums to gain feedback on new and existing product features, benefits and pricing We explain the features and benefits of products that can enable customers to save time and money forever such as the DIFY proposition	We achieved Customer NPS ratings consistently over 80. We continue to monitor and improve individual agent-level reporting of customer satisfaction which is factored into all sales colleagues' performance reviews and all our remuneration schemes. Our renewal metrics remained strong, with a net revenue retention of over 85%. We continue to gain traction with our fortnightly newsletter 'The Backbone', with news and views relevant to small business owners.

Bionic Services Limited

Strategic Report for the Year Ended 31 March 2023

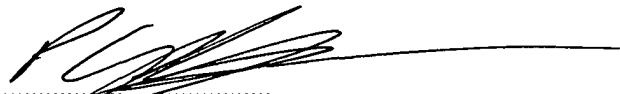
<p>Colleagues</p> <p>Creating an amazing place to work and retaining key talent is key strategic focus</p>	<p>Investing in our colleagues' progression and development.</p> <p>Focus on ways of working and how we celebrate success together across the group</p> <p>Enabling and encouraging two-way feedback.</p>	<p>We go to exceptional lengths to engage our colleagues and create an open culture. We have a clear plan on how we recognise, reward and incentivise our colleagues, celebrating success together.</p> <p>We are also passionate about our Performance Culture that's built on a formula of "Getting Better every day" and enabling our people to thrive to be the best version of themselves.</p>	<p>Launched Culture Amp, an internal employee engagement tool that also enables us to track colleague engagement, receiving scores of 73% in line with the mid-point for UK businesses. We have aims to improve this in the future.</p> <p>We have launched internal development programmes with both Cranfield and Henley business schools helping to accelerate the development of 18 colleagues</p>
<p>Partners</p> <p>Our partners trust us to represent their brands and provide essential services for their customers</p>	<p>Ensuring we operate in accordance with partner agreements while providing stand out service to our shared customers</p> <p>Renewing customer partnerships in perpetuity for joint benefit</p>	<p>We perform monthly and quarterly reviews with key suppliers to track performance on shared metrics.</p> <p>We provide regular balanced scorecard reporting ranging from customer outcomes to financial metrics</p>	<p>We have proactively managed the lead volumes and our capacity through working collaboratively with our partners.</p>

Bionic Services Limited

Strategic Report for the Year Ended 31 March 2023

Suppliers Maintaining an engaged panel of suppliers is essential to providing our customers with the best products	Operating responsibly and ethically is vital to our long term success and we work with our suppliers to ensure the quality and appropriateness of products for our customer base and to ensure our systems and theirs align to provide both quality data flows and a quality service to our customers	We have Gold partner relationships with the majority of our key partners that uphold customer centric standards of conduct We complete due diligence and regular reviews with our suppliers generally on a monthly and quarterly basis to track performance towards shared goals	Gold supplier relationships are in place with suppliers that represent over 90% of our sold contracts Consistently receive positive feedback and are able to launch unique customer propositions with their support
Community We give back to our communities	Supporting the community we operate in Encourage all our colleagues to volunteer for a day with either our or a charity of their choice at the Group's expense	We partner with the Childhood Trust to alleviate the impact of child poverty We provide regular volunteering opportunities and feedback	Employee charitable donations are matched by the Group.
Regulators	We maintain regular and ongoing dialogue with key regulatory bodies including Ofgem and others	Our Legal and Compliance team works across the Group to ensure it remains compliant with new and existing regulation.	We continue to comply with our duties under the GDPR and all relevant regulatory regimes.

Approved by the director on 1 November 2023 and signed on its behalf by:


.....
Paul Gaffigan
Director

Bionic Services Limited

Director's Report for the Year Ended 31 March 2023

The director presents his report and the financial statements for the year ended 31 March 2023.

Directors of the company

The directors who held office during the year were as follows:

Jonathan Elliott (ceased 16 February 2023)

Paul Galligan

Thomas Crockford (ceased 25 May 2023)

Financial instruments

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Employment of disabled persons

In considering applications for employment from disabled people, the company seeks to ensure that full and fair consideration is given to the abilities and aptitudes of the applicant against the requirements of the jobs for which they have applied. Employees who become temporarily or permanently disabled are given individual consideration and where possible, equal opportunities for training, career development and promotions.

Employee involvement

The Company's policy is to consult and discuss with employees matters likely to affect employees' interests. Information about matters of concern to employees is given through regular staff events, such as monthly launches, saving zone launches three times a year, and regular updates on team and Company performance.

Carbon Reporting

The Company is conscious of its energy usage and the impact on the environment and looks to reduce usage where possible. The usage in the year of c. 250,000 kWh (2022 - 154,000 kWh) relates to the purchase of electricity for our offices and is based on invoices. The current intensity ratio for the reporting period was 2.1 (2022 - 2.3). This is calculated based on the kilograms of CO₂ emissions associated with the operating activities of the Company at c. 58,000kg (2022 - 36,000kg), divided by number of contracts sold. In our calculations, we convert kWh to kg of carbon released based on Greenhouse gas reporting: conversion factors from Department for Business, Energy and Industrial Strategy. The conversion factor is 0.23314 kg CO₂ for each kWh.

Future developments

The company remains in a strong position to grow in the coming year based on an increased portfolio of products and services and its strong renewals pipeline, with a majority of customers trusting us to achieve continuous savings for them.

Research and development

Research and development relating to work done on our internal platforms and systems totalled £3,042,000 for the year (2022 - £2,268,000), all of which was capitalised. Further research and development costs relating to other projects of £1,064,000 (2022 - £523,000) was expensed.

Bionic Services Limited

Director's Report for the Year Ended 31 March 2023

Going concern

The Company made a loss for the year of £0.4m (2022 - profit of £5.0m) and has net current assets (excluding debtors falling due after one year) of £17.8m (2022 - £13.2m).

In determining whether the Company's annual financial statements can be prepared on a going concern basis, the Director has considered the Company's business activities, together with the factors likely to affect its future development, performance and position, including the current volatility in the energy price market. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and related party debt. The Director has considered the period up to and including 31 March 2025 in making their assessment, as a detailed budget has been prepared through to March 2024 and the reliability of renewal estimates gives a high degree of predictability beyond this period to March 2025.

The key factors considered by the director in making the assessment of going concern were as follows:

- The implications of changes to the economic environment on the Company's revenues and profits, in particular, the resilience of SMEs to the economic environment, future pricing and forecast energy consumption. Consumption levels are expected to remain stable as the economy continues to recover from the Covid-19 pandemic therefore no significant increase has been included in the forecasts. Live rates are being closely monitored and are expected to be consistent with historical levels, and this has been factored into the forecasts.
- The underlying seasonality of the business and forecasts in respect of renewals revenue in Bionic which is highly predictable.
- Intercompany balances with other Group companies and the prospects for continued support from these companies throughout the going concern assessment period.
- Downside scenario models including the impact of economic and energy price deterioration on liquidity. This included consideration of mitigating actions available to management, and within management's control, in these scenarios and demonstrated a material EBITDA reduction from management forecasts could be absorbed without exceeding liquidity limits.

Having assessed the mitigating actions available and after making inquiries, the Director is confident that the required deterioration in forecast EBITDA for a liquidity issue to arise is remote and therefore it is reasonable to expect that the Company can continue as a going concern. Accordingly after making due enquiries and considering the forecasts of the group throughout the going concern assessment period to 31 March 2025, including plausible downside scenarios, the director has concluded that the Company is able to settle liabilities as and when they fall due throughout that period and thus continue to adopt the going concern basis for the preparation of these financial statements.

Disclosure of information to the auditors

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.


Bionic Services Limited

Director's Report for the Year Ended 31 March 2023

Reappointment of auditor

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved and authorised by the director on 1 November 2023


.....
Paul Gaffigan
Director

Bionic Services Limited

Statement of Director's Responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business.

The director is 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 him to ensure that the company financial statements comply with the Companies Act 2006. He is 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.

Under applicable law and regulations, the director is also responsible for preparing a strategic report, directors' report, that comply with that law and those regulations. The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Bionic Services Limited

Independent Auditor's Report to the Members of Bionic Services Limited

Opinion

We have audited the financial statements of Bionic Services Limited (the 'company') for the year ended 31 March 2023, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and the related notes 1 to 26 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 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 to the end of March 2025 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Bionic Services Limited

Independent Auditor's Report to the Members of Bionic Services Limited

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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 or the Director's 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.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities set out on page 11, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Bionic Services Limited

Independent Auditor's Report to the Members of Bionic Services Limited

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.

Explanation as to what extent 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, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006.
- We understood how Bionic Services Limited is complying with those frameworks by making enquiries of management, those charged with governance, and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and by considering the results of our audit procedures across other group companies. Our assessment considered the tone set from the top by senior management and the emphasis placed on a culture of honest and ethical behaviour.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with various members of management to gather their views. We considered the programmes and controls that the company has established to address the risks identified, or that otherwise prevent, deter or detect fraud, and how senior management monitors those programmes and controls.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included making probing enquiries of various employees and addressing the risk of management override, primarily through tests of those journal entries identified as having higher-risk characteristics and our challenge of the assumptions made by management in respect of accounting estimates for indications of potential bias.

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.

Bionic Services Limited

Independent Auditor's Report to the Members of Bionic Services Limited

Use of our report

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

Ernst & Young LLP

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Neal Beauchamp (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

1 November 2023

Bionic Services Limited

Profit and Loss Account for the Year Ended 31 March 2023

	Note	2023 £ 000	2022 £ 000
Revenue	4	67,091	56,073
Cost of sales		<u>(45,178)</u>	<u>(34,740)</u>
Gross profit		21,913	21,333
Administrative expenses		<u>(23,193)</u>	<u>(15,814)</u>
Operating (loss)/profit	5	(1,280)	5,519
Interest payable and similar expenses	10	<u>-</u>	<u>(18)</u>
(Loss)/profit before tax		(1,280)	5,501
Taxation	11	<u>881</u>	<u>(469)</u>
(Loss)/profit for the financial year		<u><u>(399)</u></u>	<u><u>5,032</u></u>

The notes on pages 20 to 36 form an integral part of these financial statements.

Bionic Services Limited

Statement of Comprehensive Income for the Year Ended 31 March 2023

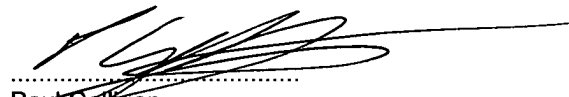
	2023	2022
	£ 000	£ 000
(Loss)/profit for the year	(399)	5,032
Tax on share-based payments	<u>3,908</u>	<u>-</u>
Total comprehensive income for the year	<u><u>3,509</u></u>	<u><u>5,032</u></u>

The notes on pages 20 to 36 form an integral part of these financial statements.

Bionic Services Limited
(Registration number: 05949018)
Balance Sheet as at 31 March 2023

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Intangible assets	12	6,496	6,647
Tangible assets	13	509	565
Investments	14	1,014	1,014
		<u>8,019</u>	<u>8,226</u>
Current assets			
Debtors: amounts falling due after one year	15	1,420	2,472
Debtors: amounts falling due within one year	15	39,820	31,738
Cash at bank and in hand	16	11,778	2,803
		<u>53,018</u>	<u>37,013</u>
Creditors: Amounts falling due within one year	17	<u>(33,804)</u>	<u>(21,333)</u>
Net current assets		<u>19,214</u>	<u>15,680</u>
Total assets less current liabilities		<u>27,233</u>	<u>23,906</u>
Provisions for liabilities	18	<u>(129)</u>	<u>(407)</u>
Net assets		<u>27,104</u>	<u>23,499</u>
Capital and reserves			
Called up share capital	20	-	-
Other reserves	21	1,382	1,286
Profit and loss account	21	25,722	22,213
Total equity		<u>27,104</u>	<u>23,499</u>

Approved and authorised by the director on 1 November 2023


 Paul Galligan
 Director

The notes on pages 20 to 36 form an integral part of these financial statements.

Bionic Services Limited

Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2022	-	1,286	22,213	23,499
Loss for the year	-	-	(399)	(399)
Other comprehensive income	-	-	3,908	3,908
Total comprehensive income	-	-	3,509	3,509
Movement in other reserves	-	96	-	96
At 31 March 2023	-	1,382	25,722	27,104

	Share capital £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2021	-	1,124	17,181	18,305
Profit for the year	-	-	5,032	5,032
Movement in other reserves	-	162	-	162
At 31 March 2022	-	1,286	22,213	23,499

The notes on pages 20 to 36 form an integral part of these financial statements.

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Minster Building
21 Mincing Lane
4th Floor
London
EC3R 7AG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The Company made a loss for the year of £0.4m (2022 - profit of £5.0m) and has net current assets (excluding debtors falling due after one year) of £17.8m (2022 - £13.2m).

In determining whether the Company's annual financial statements can be prepared on a going concern basis, the Director has considered the Company's business activities, together with the factors likely to affect its future development, performance and position, including the current volatility in the energy price market. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and related party debt. The Director has considered the period up to and including 31 March 2025 in making their assessment, as a detailed budget has been prepared through to March 2024 and the reliability of renewal estimates gives a high degree of predictability beyond this period to March 2025.

The key factors considered by the director in making the assessment of going concern were as follows:

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

- The implications of changes to the economic environment on the Company's revenues and profits, in particular, the resilience of SMEs to the economic environment, future pricing and forecast energy consumption. Consumption levels are expected to remain stable as the economy continues to recover from the Covid-19 pandemic therefore no significant increase has been included in the forecasts. Live rates are being closely monitored and are expected to be consistent with historical levels, and this has been factored into the forecasts.
- The underlying seasonality of the business and forecasts in respect of renewals revenue in Bionic which is highly predictable.
- Intercompany balances with other Group companies and the prospects for continued support from these companies throughout the going concern assessment period.
- Downside scenario models including the impact of economic and energy price deterioration on liquidity. This included consideration of mitigating actions available to management, and within management's control, in these scenarios and demonstrated a material EBITDA reduction from management forecasts could be absorbed without exceeding liquidity limits.

Having assessed the mitigating actions available and after making inquiries, the Director is confident that the required deterioration in forecast EBITDA for a liquidity issue to arise is remote and therefore it is reasonable to expect that the Company can continue as a going concern. Accordingly after making due enquiries and considering the forecasts of the group throughout the going concern assessment period to 31 March 2025, including plausible downside scenarios, the Director has concluded that the Company is able to settle liabilities as and when they fall due throughout that period and thus continue to adopt the going concern basis for the preparation of these financial statements.

Exemptions for qualifying entities under FRS102

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The information is included in the consolidated financial statements of Smile Topco Limited as at 31 March 2023 and these financial statements may be obtained from the registered office.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- the significant risks and rewards of ownership have been transferred to the buyer;
- the company retains no continuing involvement or control over the goods;
- the amount of revenue can be measured reliably;
- it is probable that future economic benefits will flow to the entity; and
- when the specific criteria relating to each of the company's sales channels have been met, as described below.

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

Customer energy contracts

Turnover represents commissions earned and is recognised at the point at which a customer applies for a new contract. Commissions are calculated based on expected energy use by the business customer at agreed commission rates with the energy suppliers. At point of sales, provision is made for:

- Possible variations between expected consumption and that used by suppliers for commission payment purposes where these differ; and
- Contracts that may fail to commence with suppliers or fail during the contract period.

Government grants

Money transferred to the Company by the UK government, government agencies or similar bodies are recognised at fair value, when the Company is certain that the grant will be received. Grants are disclosed in the notes to the accounts.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Tangible assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is charged at the following rates on a straight line basis to write off the cost over their estimated useful lives:

Fixtures and fittings - 25% straight line
Office equipment - 25% straight line

The assets' residual values and useful lives are reviewed, and adjusted as appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Investments in subsidiaries

Investments held as fixed assets are stated at cost less accumulated impairment losses.

The carrying value of fixed asset investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

Cash

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow Group companies, 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 receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

iii. Offsetting

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.

Share based payments

The company provides share-based payment arrangements to certain employees.

Equity-settled arrangements are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the profit and loss account.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Pension scheme

The company operates a defined contribution pension scheme and costs are expensed as incurred.

Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

2 Accounting policies (continued)

Operating leases

Rentals payable relating to operating leases are charged in profit and loss account on a straight line basis over the lease term. Lease incentives are recognised as a reduction to the expense on straight line basis over the lease term.

3 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing the financial statements, the board of directors have considered the impact of the physical and transition risks of climate change as set out in the Strategic Report but have concluded that it does not have a material impact on the carrying values of investments or the recognition and measurement of the assets and liabilities in these financial statements as at 31 March 2023.

Revenue recognition (note 15)

a. Energy Live Rate

At point of sale agreement with a customer there is a chance that a meter that has been agreed to move to a new contract will not ultimately transfer. This is addressed by applying a Live Rate provision to revenue at the point of sale based on historical rates by type of business. Live rates are estimated based on rolling historic average of contracts sold that subsequently went live as measured by the expected go live date of the relevant contract. This historic measure is tracked monthly.

b. Energy Consumption Provision Rate

The company invests significant time ensuring that the customer energy consumption data that is passed to suppliers, and is the basis of commission received, is accurate and measurable. However, across the course of an energy contract there remains potential for consumption to vary through e.g. change of business practices, energy efficiency initiatives or even change of tenancy leading to the end of a contract. To address these changes a consumption provision is applied to expected revenue at the point of sale based on historical levels of commission received by business type and by supplier. Cash received is also tracked against each individual contract and in aggregate according to the types of commercial arrangement agreed with suppliers. This ensures that as suppliers provide information throughout and at the end of the contract the provisions remain up to date and appropriate.

Impairment of intangible assets (note 12)

Annually, the company considers whether intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires forecasting of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

4 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2023	2022
	£ 000	£ 000
Price comparison and switching services	<u>67,091</u>	<u>56,073</u>

All revenue arose within the United Kingdom.

5 Operating (loss)/profit

Arrived at after charging/(crediting)

	2023	2022
	£ 000	£ 000
Depreciation expense	303	415
Amortisation expense	3,065	2,625
Research and development tax credit	(311)	-
Operating lease expense	886	848
Loss on disposal of property, plant and equipment	36	3
Loss on disposal of intangible assets	128	33
Costs in relation to the sale of the group	<u>4,285</u>	<u>-</u>

6 Auditors' remuneration

	2023	2022
	£ 000	£ 000
Audit of the financial statements	<u>54</u>	<u>75</u>
Other fees to auditors		
Tax compliance	8	7
Tax advisory	<u>48</u>	<u>23</u>
	<u>56</u>	<u>30</u>

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023	2022
	£ 000	£ 000
Wages and salaries	23,056	16,751
Social security costs	2,651	1,806
Pension costs, defined contribution scheme	312	271
Share-based payment expenses	96	162
	<u>26,115</u>	<u>18,990</u>

Staff costs of £2,331,000, included above, have been capitalised to intangible assets in the year (2022 - £2,098,000).

During the year the Company applied for and received £nil (2022 - £1,000) of government assistance under the Coronavirus Job Retention Scheme.

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2023	2022
	No.	No.
Management	16	16
Sales	227	211
Finance and Business Information	14	13
Marketing	11	13
Human Resources	15	11
Operations	43	41
Information Technology	58	51
	<u>384</u>	<u>356</u>

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

8 Director's remuneration

The director's remuneration for the year was as follows:

	2023	2022
	£ 000	£ 000
Remuneration	1,193	681
Contributions paid to money purchase schemes	<u>10</u>	<u>14</u>
	<u>1,203</u>	<u>695</u>

Post employment benefits are accruing to three directors (2022 - three) under a defined contribution pension scheme. No directors were members of a defined benefit pension scheme (2022 - none).

No directors received share options in the parent company's shares during the year (2022 - none). One director exercised share options during the year (2022 - none).

In respect of the highest paid director:

	2023	2022
	£ 000	£ 000
Remuneration	<u>739</u>	<u>409</u>

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

9 Share-based payments

Smile Topco share option scheme

The Group operated an equity-settled share-based payment scheme for its directors and employees. The acquisition of Smile Topco Limited and its subsidiaries during the year by Barolo Bidco Limited resulted in all outstanding options in the scheme being exercised.

The shares over which the options were held, were held as treasury shares by the Employee Benefit Trust, Make it Cheaper Trustees Limited. At 31 March 2023, Make it Cheaper Trustees Limited holds nil shares (2022 - 8,201,567) acquired for the cost of £nil (2022 - £10,502).

The movements in the number of share options during the year were as follows:

	2023 Number	2022 Number
Outstanding at start of year	8,760,132	8,811,633
Forfeited during the year	-	(51,501)
Exercised during the year	<u>(8,760,132)</u>	<u>-</u>
Outstanding at end of year	<u>-</u>	<u>8,760,132</u>

All share options have an exercise price of 1p.

The total expense recognised in profit or loss for the year was £66,000 (2022 - £132,000). The share options have been valued using a Black-Scholes option pricing model.

In addition to the share option scheme, in 2021 certain employees were gifted beneficial interest in 724,995 shares in Smile Topco Limited in the event of a future sale of the Group. This award was determined to be an equity-settled share-based payment. Vesting of the interest was subject to continued employment within the Group until the time of a sale. The fair value of the award was determined to be £60,000 and was measured using the probability-weighted expected returns method which was determined to be the most reliable and appropriate valuation method for these shares at the time. The total expense recognised in profit or loss for the year was £30,000 (2022 - £30,000). The shares were sold as part of the sale of Smile Topco Limited on 16 February 2023.

10 Interest payable and similar expenses

	2023 £ 000	2022 £ 000
Other finance costs	<u>-</u>	<u>18</u>

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

11 Taxation

Tax charged in the income statement

	2023 £ 000	2022 £ 000
Deferred taxation		
Arising from origination and reversal of timing differences	(703)	170
Arising from changes in tax rates	-	175
Arising from adjustments in respect of prior periods	(178)	124
Total deferred taxation	<u>(881)</u>	<u>469</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
(Loss)/profit before tax	<u>(1,280)</u>	<u>5,501</u>
Corporation tax at standard rate	(243)	1,045
Effect of expense not deductible for tax purposes	876	353
Deferred tax relating to changes in tax rates or laws	(1,205)	175
Deferred tax related to adjustments in respect of prior periods	(178)	124
Effect of exercise of employee share options (a)	(131)	-
Effect of group relief	-	(333)
Effect of adjustment in research and development tax credit	<u>-</u>	<u>(895)</u>
Total tax (credit)/charge	<u>(881)</u>	<u>469</u>

(a) There is a tax deduction as a result of the exercise of the employee share options as part of the sale of the group in February 2023. The tax relief is the value of the shares under option at the date of exercise less the exercise price.

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%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

12 Intangible assets

	Goodwill £ 000	Other intangibles £ 000	Customer lists £ 000	Software development £ 000	Total £ 000
Cost or valuation					
At 1 April 2022	790	5	357	11,747	12,899
Additions internally developed	-	-	-	3,042	3,042
Disposals	-	-	-	(321)	(321)
At 31 March 2023	<u>790</u>	<u>5</u>	<u>357</u>	<u>14,468</u>	<u>15,620</u>
Amortisation					
At 1 April 2022	174	5	357	5,716	6,252
Amortisation charge	87	-	-	2,978	3,065
Amortisation eliminated on disposals	-	-	-	(193)	(193)
At 31 March 2023	<u>261</u>	<u>5</u>	<u>357</u>	<u>8,501</u>	<u>9,124</u>
Carrying amount					
At 31 March 2023	<u>529</u>	<u>-</u>	<u>-</u>	<u>5,967</u>	<u>6,496</u>
At 31 March 2022	<u>616</u>	<u>-</u>	<u>-</u>	<u>6,031</u>	<u>6,647</u>

Amortisation is included in Administrative Expenses.

The aggregate amount of research and development expenditure recognised as an expense during the period is £1,064,000 (2022 - £523,000).

Individually material intangible assets

CRM and online system

The carrying amount of this asset is £1,313,000 (2022 - £2,371,000) and the remaining amortisation period is 11 months (2022 - 1 year 9 months). The CRM online system enables Bionic to effectively deliver its services to its customers.

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Tangible assets

	Fixtures and fittings £ 000	Office equipment £ 000	Total £ 000
Cost or valuation			
At 1 April 2022	1,109	780	1,889
Additions	12	271	283
Disposals	(19)	(218)	(237)
At 31 March 2023	<u>1,102</u>	<u>833</u>	<u>1,935</u>
Depreciation			
At 1 April 2022	904	420	1,324
Charge for the year	121	182	303
Eliminated on disposal	(18)	(183)	(201)
At 31 March 2023	<u>1,007</u>	<u>419</u>	<u>1,426</u>
Carrying amount			
At 31 March 2023	<u>95</u>	<u>414</u>	<u>509</u>
At 31 March 2022	<u>205</u>	<u>360</u>	<u>565</u>

14 Investments

	2023 £ 000	2022 £ 000
Investment in subsidiary	<u>1,014</u>	<u>1,014</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of share	Holding
UK Power Limited	Price comparison and switching service	Ordinary	100%
Business Juice Limited	Price comparison and switching service	Ordinary	100%

The registered address of all subsidiary undertakings is Minster Building, 21 Mincing Lane, 4th Floor, London, EC3R 7AG.

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

15 Debtors

	2023 £ 000	2022 £ 000
Due after more than one year		
Accrued income	<u>1,420</u>	<u>2,472</u>
	2023 £ 000	2022 £ 000
Due within one year		
Trade debtors	1,603	631
Amounts owed from group undertakings	30,459	24,253
Prepayments	810	560
Accrued income	1,834	5,862
Other debtors	670	432
Deferred tax assets	4,444	-
19	<u>39,820</u>	<u>31,738</u>

16 Cash and cash equivalents

	2023 £ 000	2022 £ 000
Cash at bank and in hand	<u>11,778</u>	<u>2,803</u>

17 Creditors

	2023 £ 000	2022 £ 000
Due within one year		
Trade creditors	2,574	1,972
Amounts owed to group undertakings	20,073	11,488
Social security and other taxes	3,435	2,068
Other creditors	755	102
Accruals and deferred income	6,967	5,703
	<u>33,804</u>	<u>21,333</u>

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

18 Provisions for liabilities

	Deferred tax £ 000	Dilapidations £ 000	Total £ 000
At 1 April 2022	345	62	407
Charge to profit and loss	-	67	67
Transfer to deferred tax assets	<u>(345)</u>	<u>-</u>	<u>(345)</u>
At 31 March 2023	<u>-</u>	<u>129</u>	<u>129</u>

The provision relates to leased properties and is expected to be utilised by 2024.

19 Deferred tax

	£ 000
At 1 April 2022	(345)
Profit and loss account	881
Reserves	<u>3,908</u>
At 31 March 2023	<u>4,444</u>

The deferred tax liability/asset is made up as follows:

	2023 £ 000	2022 £ 000
Fixed asset timing differences	(768)	(749)
Losses	<u>5,212</u>	<u>404</u>
	<u>4,444</u>	<u>(345)</u>

The deferred tax is expected to reverse in the next two years.

20 Share capital

	2023 £ 000	2022 £ 000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>-</u>	<u>-</u>

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

21 Reserves

Other reserves

Other reserves have arisen from the share based payment charge. The shares over which the options were issued are that of the former ultimate parent company, Smile Topco Limited. However, the services provided by the employees are within the subsidiary, Bionic Services Limited. Therefore, the charge is recognised in the profit and loss account and treated as a capital contribution from the former ultimate parent entity within equity.

Profit and loss account

Profit and loss account represents retained profits and losses.

22 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2023	2022
	£ 000	£ 000
Not later than one year	1,409	963
Later than one year and not later than five years	-	1,409
	<u>1,409</u>	<u>2,372</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £886,000 (2022 - £848,000).

23 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently managed fund.

The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £312,000 (2022 - £271,000).

24 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £671,000 (2022 - £Nil).

Bionic Services Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

25 Related party transactions

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the group.

26 Parent and ultimate parent undertaking

The company is a wholly owned subsidiary of Bionic Services Group Limited, a company incorporated in England and Wales. The ultimate parent is Barolo Holdco Limited, a company incorporated in Jersey and which is a tax resident in the United Kingdom. Barolo Holdco Limited is under the control of Barolo Holdings (Lux) S.A.S. OMERS Administration Corporation indirectly owns 100% of the participating (economic) interest and 21.67% of the voting interest of Barolo Holdings (Lux) S.A.S., OCP Trust, of which OMERS Administration Corporation is a beneficiary, indirectly owns 43.33% of the voting interest of Barolo Holdings (Lux) S.A.S. and Kingston Infrastructure Trust, of which OMERS Administration Corporation is a beneficiary, indirectly owns the remaining 35% voting interest of Barolo Holdings (Lux) S.A.S. Therefore OMERS Administration Corporation is considered to be the ultimate controlling party.

The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared is Barolo Holdco Limited. The registered address of Barolo Holdco Limited is 44 Esplanade, St Helier, Jersey, JE4 9WG.