

Your Ref:

Our Ref: MARS/OPT495

Please ask for: Rosemary Sheehan

Direct Dial: 01707 419 503

Email: rosemary@arkinco.com

TO ALL CREDITORS

REF:

15 August 2023

Dear Sirs

Optimax Clinics Limited – Company Voluntary Arrangement ("CVA") ("the Company")

I write further to my appointment as Supervisor of the Company's CVA on 27 November 2020.

Under the terms of the CVA, as modified, the Company is required to make contributions totalling £1,164,000 providing for an estimated minimum dividend of 39.8p in the £ to unsecured creditors and 100p in the £ to preferential creditors. Contributions were to commence at £22,000 per month for the first 12 months and to be increased to £25,000 per month for the remaining 36 months of the CVA. The CVA shall not be capable of successful completion until all unsecured, non-preferential creditors claiming in the Arrangement have received a minimum dividend of 39.8p in the £. The Company is up to date with all voluntary contributions as at the date of this report.

Due to the substantial support that has been provided by HM Revenue & Customs ("HMRC") under the Coronavirus Job Retention Scheme ("CJRS"), any PAYE and National Insurance contributions arising from CJRS were expected to have been paid in full. If not, these were to be treated as priority repayments in the CVA, ahead of all other unsecured creditor claims (including other elements of HMRC's claim). This element of HMRC's claim has now been paid in full.

The associated creditors, namely Mr Russell Keith Ambrose in the sum of £10,145,709 and Ultralase Eye Clinics Limited in the sum of £525,288, offered to defer their claims in the CVA. For the avoidance of doubt their offer is to waive their dividend entitlement in favour of all non-associated creditors under the Arrangement.

The Supervisor is to conduct a full review, at each anniversary of the Arrangement, based upon the month end immediately preceding the anniversary of the Arrangement of the Company's business income and expenditure and, if appropriate, obtain an increase in voluntary contributions of not less than 50% of any rise in net income after provision for tax. These reviews have been conducted annually and it has been ascertained that there have not been any increases in net income which would merit an increase in voluntary contributions.

The supervisor's fee shall not exceed £60,000 in total and shall be drawn proportionately in line with receipts.

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Registered Office: Alpha House, 176A High Street, Barnet EN5 5SZ





The Company has complied with the terms of the CVA as outlined above. All due contributions have been paid on a regular and timely manner and the Company has provided the required financial information to enable me to carry out the required annual reviews. A payment of £155,674.78 has been made to HMRC in respect of the PAYE and National Insurance contributions arising from the CJRS payments in priority to payments to the other creditors.

The CVA status of the business is negatively affecting the credit rating of the Company which is experiencing difficulties in accessing basic facilities such as a company credit card processing and payment facilities. This not only affects the credit terms with the Company's current suppliers but also restricts access to new suppliers.

The Company relies on external funders to fund individual treatments. This process has also been negatively impacted by the CVA status of the Company, which has significantly hampered cashflow.

The Company's difficulties were exacerbated by an IT issue which rendered the Company's website inoperable for over a month. As the website is the main source of bookings, it is estimated that this IT failure contributed to a loss in revenues in the order of £500,000.

The Director advises that trading is becoming increasingly difficult and that he is fearful that trading conditions will deteriorate further to the point where trading may not be viable. In the circumstances, I have been approached by the Company with a proposal to exit the CVA by way of a variation to the original Proposal.

Therefore, I invite creditors to consider the following variation to the CVA Proposal (as approved and varied) to enable this strategy to be implemented and for the CVA to be concluded successfully.

1. That the CVA be brought to an early close with a lump sum contribution to be made to the Scheme Fund by the Director, Russell Ambrose, from personal funds to provide for the minimum dividend of 39.8p in the £ as agreed by creditors on 20 November 2020.
2. Should the variance be approved, the lump sum payment is to be paid into the CVA within 45 days of approval.
3. Should the variance be approved, the final dividend of 22.09p in the £ is to be paid to unsecured creditors within 3 months of the date of approval, bringing the total dividend paid to 39.8p in the £. To date, dividends totalling 17.71p in the £ have been paid to all unsecured non-preferential creditors and 100p in the £ has been paid to preferential creditors.

This will result in creditors receiving the proposed minimum dividend by the end of 2023, as opposed to waiting until the end of the CVA term which is November 2024. An early settlement will also mitigate the risk of deteriorating trading conditions which may adversely impact the Company's ability to continue trading. Whilst the estimated dividend to unsecured creditors at the end of the full term of 4 years is anticipated to be greater than the minimum dividend (refer to attached Estimated Outcome Statement which shows an estimated dividend of 47.15p in the £) this cannot be guaranteed as the dividend outcome will depend on the Company's ability to continue trading and the level of creditors' claims received and admitted to rank for dividend between now and the end of the CVA term.

The attached Estimated Outcome Statement shows the anticipated outcome if the variation is agreed, against the estimated outcome of the CVA continues to full term.

The terms of the proposed variance of the CVA have been discussed with the Director who has confirmed that he has the funds available to comply.

I enclose a notice of a vote by correspondence, which has been issued for the purpose of considering, and if thought fit, agreeing the above proposed decision.

To date dividends totalling 17.71p in the £ have been declared in respect of unsecured non-preferential claims and 100p in the £ in respect of preferential claims. . In order to achieve the minimum required dividend a further dividend of 22.09p in the £ is to be paid.



Please complete the enclosed Vote by Correspondence Form and return it to me, together with a completed Proof of Debt form (if one has not already been submitted) at this address by the time specified on the enclosed notice.

If you have any queries, please do not hesitate to contact Rosemary Sheehan at this office.

Yours faithfully

M Arkin
Supervisor

Enc.

NOTICE OF A DECISION PROCEDURE BY CORRESPONDENCE

Company Name: Optimax Clinics Limited ("the Company")
In a Company Voluntary Arrangement ("CVA")

Company Number: 07200452

In the High Court of Justice Reference No. CR2020-004145

This Notice is given under paragraph 62(1) of the standard terms of the CVA Proposal. It is delivered by the Supervisor of the Company's CVA, Mehmet Arkin of Arkin & Co, Alpha House, 176A High Street, Barnet, EN5 5SZ (telephone number 01707419500), who was appointed under the terms of the CVA approved by the creditors.

Creditors are invited to vote by correspondence on the following:

1. That the CVA be brought to an early close with a lump sum contribution to the Scheme Fund, to be made by the Director, to provide for the minimum dividend of 39.8p in the £ as agreed by creditors on 20 November 2020.
2. Should the variance be approved, the lump sum payment is to be paid into the CVA within 45 days of approval.
3. Should the variance be approved, the final dividend of 22.09p in the £ is to be paid to unsecured creditors within 3 months of the date of approval, bringing the total dividend paid to 39.8p in the £. To date, dividends totalling 17.71p in the £ have been paid to all unsecured non-preferential creditors and 100p in the £ has been paid to preferential creditors.

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Supervisor by one of the methods set out below:

By post to: Arkin & Co, Alpha House, 176A High Street, Barnet, EN5 5SZ
By email to: info@arkinco.com

Please note that, if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below. Unless proven otherwise, an email is treated as delivered at 9am on the next business day after it was sent.

All voting forms and proofs of debt must be delivered by: 11.59pm on 15 September 2023

Any creditor whose debt is treated as a small debt in accordance with paragraph 39(4) of the standard terms of the CVA Proposal must still deliver a proof if the creditor wishes to vote.

A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time set out above.

A secured creditor is entitled to vote only in respect of the balance (if any) of debt after deducting the value of security as estimated by the secured creditor.

In the case of a decision varying the terms of the CVA, a majority of three-quarters or more in value of creditors voting in favour of it is required.

A decision is not made if those voting against it include more than half of the total value of creditors who are not connected with the Company.

Votes are calculated according to the amount of each creditor's claim at the date that the CVA Proposal was approved.

Creditors who meet one or more of the thresholds listed below may, within 5 business days of delivery of the notice, request a physical meeting to be held to consider the matters detailed above.

Thresholds to request a physical meeting: 10% in value of the creditors
 10% in number of the creditors
 10 creditors

If a threshold is met, the decision procedure will terminate without a vote being taken and a physical meeting shall be convened.

A creditor may appeal a decision by application to the court in accordance with paragraph 65(2) of the standard terms of the CVA Proposal. Any such appeal must be made within 28 days of the record of the decision being given, or such longer period as the Court shall, in the special circumstances, allow.



Signed: _____
M Arkin
Supervisor

Dated: 15 August 2023

OPTIMAX CLINICS LIMITED

Estimated Comparative Outcome Statement
as at 14 August 2023

	Variation		To Term	
	£	£	£	£
CVA Contributions received	764,000.00		1,164,000.00	
Bank interest gross	25,951.58		25,951.58	
Sundry refund	2,689.26		2,689.26	
Lump sum contribution	242,000.00		-	
Total realisations		1,034,640.84		1,192,640.84
Professional Costs and Expenses				
Costs to date (see R&P account)	(61,419.23)		(61,419.23)	
Priority payment to HMRC	(155,674.78)		(155,674.78)	
Dividend to preferential creditors	(45,569.95)		(45,569.95)	
Dividend to unsecured creditors	(206,489.06)		(206,489.06)	
Total Expenditure		(469,153.02)		(469,153.02)
Net realisations		565,487.82		723,487.82
Projected Costs				
Office Holder Fees	(138,590.46)		(158,590.00)	
Provision for Legal Fees (inclusive of VAT)	(12,000.00)		(12,000.00)	
		(150,590.46)		(170,590.00)
Suplus available for unsecured creditors		414,897.36		552,897.82
Unsecured Creditors				
Trade Creditors	567,715.11		567,715.11	
HM Revenue & Customs	439,598.91		439,598.91	
Employee Claims	48,670.77		48,670.77	
National Insurance Fund	131,872.85		131,872.85	
Provision for Outstanding Claims	140,000.00		140,000.00	
Provision for Contingency Claims	550,000.00		550,000.00	
Total Unsecured Creditor Claims		1,877,857.64		1,877,857.64
Further Distribution to Unsecured Creditors (p in the £)		22.09		29.44
Paid to date (p in the £)		17.71		17.71
Total Dividend (p in the £)		39.80		47.15

Optimax Clinics Limited
(Under a Company Voluntary Arrangement)
Supervisor's Summary of Receipts and
Payments To 14 August 2023

RECEIPTS	Statement of Affairs (£)	Total (£)
Debtor Contributions		764,000.00
Bank Interest Gross		25,951.58
		<hr/>
		789,951.58
 PAYMENTS		
Specific Bond		3,226.00
Office Holders Fees		35,937.30
Professional Services - Employee claims		2,035.00
Professional Services - Pension Advice		200.00
Legal Fees (1)		8,034.50
VAT		4,759.76
Court Fee		50.00
Statutory Advertising		83.00
PAYE & NI		2,532.71
Bank Charges		85.00
HMRC - Tax on Employee claims		3,690.40
HMRC - NI on Employee claims		785.56
Employee Arrears/Hol Pay		45,569.95
Trade & Expense Creditors		206,489.06
Priority payment to HMRC		155,674.78
		<hr/>
		469,153.02
		<hr/>
Net Receipts/(Payments)		320,798.56
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MADE UP AS FOLLOWS

Bank 1 Current - IB	320,798.56
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	320,798.56
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	Mehmet Arkin Supervisor