

Company registration number 07200452 (England and Wales)

OPTIMAX CLINICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

OPTIMAX CLINICS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Director | R K Ambrose |
| Secretary | U Orer |
| Company number | 07200452 |
| Registered office | 96 Bristol Road Edgbaston Birmingham B5 7XJ |
| Auditor | Gravita ABG LLP 30 City Road London EC1Y 2AB |

OPTIMAX CLINICS LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Strategic report | 1 |
| Director's report | 2 - 3 |
| Independent auditor's report | 4 - 6 |
| Statement of comprehensive income | 7 |
| Statement of financial position | 8 |
| Statement of changes in equity | 9 |
| Notes to the financial statements | 10 - 23 |

OPTIMAX CLINICS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The director presents the strategic report for the year ended 30 June 2022.

Review of the business

Following the impact of Covid-19 pandemic on the Company in 2020 and following the advice of insolvency practitioners, the director put the Company into a Company Voluntary Arrangement with a proposed term of 48 months, which was approved by the Company's creditors on 27 November 2020.

The Company satisfied all conditions of the Company Voluntary Arrangement during the accounting period.

The Company is actively pursuing further growth in turnover through the increase in the volume of treatments offered to general public, as well as continued projects to provide a wider range of third party access to clinic facilities.

Principal risks and uncertainties

The Company's principal financial instruments comprise bank balances, trade creditors, trade debtors and loans to the Company. The main purpose of these instruments is to raise funds for and the finance of the Company's operations.

In respect of trade debtors, the credit risk is managed through policies concerning the credit offered to the customers and regular monitoring of amounts outstanding for both time and credit limits.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding.

Trade creditors are managed in respect of liquidity risk by ensuring that sufficient funds are available to meet amounts when they fall due.

The loans balance represents the loans from a director who is aware of the company's financing requirements and has determined that these will only be repaid, in whole or in part, when finance is available. The liquidity risk is managed by ensuring that sufficient funds are available to meet the agreed repayment dates.

Key performance indicators

The key financial highlights are as follows:

| | 2022 | 2021 |
|------------------|------------|------------|
| | £ | £ |
| Turnover | 12,392,979 | 13,677,977 |
| Gross profit | 51.52% | 49.62% |
| Operating profit | 775,764 | 1,834,191 |

On behalf of the board

R K Ambrose
Director

27 April 2023

OPTIMAX CLINICS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The director presents their annual report and financial statements for the year ended 30 June 2022.

Principal activities

The principal activities of the company are the provision of laser eye surgical and IOL/cataract treatments.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

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

R K Ambrose

Future developments

The company will continue to focus its growth into Inter Ocular Lens and Cataract Procedures whilst investing in new facilities to meet this demand.

Statement of director's responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure to auditor

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

Strategic Report

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

Auditor

On 16 November 22 our auditors changed their name to Gravita ABG LLP.

OPTIMAX CLINICS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

On behalf of the board

R K Ambrose
Director

27 April 2023

OPTIMAX CLINICS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OPTIMAX CLINICS LIMITED

Opinion

We have audited the financial statements of Optimax Clinics Limited (the 'company') for the year ended 30 June 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 30 June 2022 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 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. 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.

Our responsibilities and the responsibilities of the director 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 director is 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 our 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 have been prepared in accordance with applicable legal requirements.

OPTIMAX CLINICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OPTIMAX CLINICS LIMITED

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 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, 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 has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the Health and Care industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and Health and Care legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- understanding the business model as part of the control and business environment;
- considering the internal controls in place to mitigate risks of fraud and non-compliance; and
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

OPTIMAX CLINICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OPTIMAX CLINICS LIMITED

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence and enquiring with the company of actual and potential non-compliance with laws and regulations; and
- reading the minutes of meetings of those charged with governance.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment by for example forgery, or intentional misrepresentations or through collusion. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Sarah Wilson FCA (Senior Statutory Auditor)
For and on behalf of Gravita ABG LLP

28 April 2023

Chartered Accountants
Statutory Auditor

30 City Road
London
EC1Y 2AB

OPTIMAX CLINICS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

| | | 2022 | 2021 |
|--|-----------|-------------|-------------|
| | Notes | £ | £ |
| Turnover | | 12,392,979 | 13,677,977 |
| Cost of sales | | (6,008,698) | (6,890,421) |
| Gross profit | | 6,384,281 | 6,787,556 |
| Administrative expenses | | (5,626,316) | (5,324,453) |
| Other operating income | | 17,799 | 371,088 |
| Operating profit | 3 | 775,764 | 1,834,191 |
| Interest receivable and similar income | 7 | 5,294 | 2,767 |
| Interest payable and similar expenses | 8 | (599,502) | (632,721) |
| Profit before taxation | | 181,556 | 1,204,237 |
| Taxation | 9 | - | - |
| Profit for the financial year | 19 | 181,556 | 1,204,237 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 181,556 | 1,204,237 |

The income statement has been prepared on the basis that all operations are continuing operations.

OPTIMAX CLINICS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

| | | 2022 | | 2021 | |
|--|-------|--------------------|---------------------|--------------------|---------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 1,328,418 | | 954,601 |
| Current assets | | | | | |
| Debtors | 12 | 2,581,342 | | 2,143,791 | |
| Cash at bank and in hand | | 188,808 | | 501,063 | |
| | | <u>2,770,150</u> | | <u>2,644,854</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(2,630,746)</u> | | <u>(2,166,701)</u> | |
| Net current assets | | | <u>139,404</u> | | <u>478,153</u> |
| Total assets less current liabilities | | | <u>1,467,822</u> | | <u>1,432,754</u> |
| Creditors: amounts falling due after more than one year | 14 | | (12,002,775) | | (11,703,750) |
| Provisions for liabilities | 15 | | <u>(665,172)</u> | | <u>(1,073,558)</u> |
| Net liabilities | | | <u>(11,200,125)</u> | | <u>(11,344,554)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 18 | | 1,000 | | 1,000 |
| Other reserves | 19 | | 816,839 | | 1,332,818 |
| Profit and loss reserves | 19 | | <u>(12,017,964)</u> | | <u>(12,678,372)</u> |
| Total equity | | | <u>(11,200,125)</u> | | <u>(11,344,554)</u> |

The financial statements were approved and signed by the director and authorised for issue on 27 April 2023

R K Ambrose
Director

Company Registration No. 07200452

OPTIMAX CLINICS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

| | Share capital | Other reserves | Profit and loss reserves | Total |
|--|---------------|----------------|--------------------------|--------------|
| | £ | £ | £ | £ |
| Balance at 1 July 2020 | 1,000 | 1,854,808 | (14,366,551) | (12,510,743) |
| Year ended 30 June 2021: | | | | |
| Profit and total comprehensive income for the year | - | - | 1,204,237 | 1,204,237 |
| Transfers | - | (483,942) | 483,942 | - |
| Other movements | - | (38,048) | - | (38,048) |
| Balance at 30 June 2021 | 1,000 | 1,332,818 | (12,678,372) | (11,344,554) |
| Year ended 30 June 2022: | | | | |
| Profit and total comprehensive income for the year | - | - | 181,556 | 181,556 |
| Transfers | - | (478,852) | 478,852 | - |
| Other movements | - | (37,127) | - | (37,127) |
| Balance at 30 June 2022 | 1,000 | 816,839 | (12,017,964) | (11,200,125) |

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Company information

Optimax Clinics Limited is a company limited by shares incorporated in England and Wales. The registered office and principal place of business is 96 Bristol Road, Edgbaston, Birmingham, B5 7XJ.

1.1 Accounting convention

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values.
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Eye Hospitals Group Limited. These consolidated financial statements are available from its registered office, 96 Bristol Road, Edgbaston, Birmingham, B5 7XJ.

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

1.2 Going concern

The company made a profit of £181,556 (2021: £1,204,237 profit) in the period and at the balance sheet date, the company had net liabilities amounting to £11,200,125 (2021: £11,344,554).

The company meets its day to day working capital requirements from both its trading activity and additional funds from the director as considered necessary.

The company's forecasts and projections, having taken account of reasonable possible changes in trading activity, indicate that the company is expected to have adequate resources to continue in operational existence for the foreseeable future. Consequently, the financial statements have been prepared on the going concern basis on the grounds that the company's director will continue to provide ongoing support. As referred to in note 23, since the year end, the director agreed to waive the loan due to him at the start of the company voluntary arrangement (together with any notional interest accrued on this loan since then).

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (Continued)

1.3 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover represents amounts receivable for medical services rendered net of trade discounts. Turnover is recognised at the time when the medical services are performed.

1.4 Tangible fixed assets

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

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

| | |
|--------------------------------|--|
| Plant and machinery | 25% reducing balance or over life of lease |
| Fixtures, fittings & equipment | 25% reducing balance |

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

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

1.5 Impairment of fixed assets

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

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

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

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

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans, including 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. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

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

Derecognition of financial liabilities

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

1.8 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax expense represents tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Following patient treatments, there are a number of additional costs to be incurred once the results of the treatments have been reassessed. The provision is expected to be fully utilised over a period of time in accordance with the age profile of the patients.

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using calculated maintainable earnings. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.14 Leases

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

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

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

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (Continued)

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Tangible assets

Accounting for tangible assets involves the use of estimates and judgements for determining the useful lives over which these are to be depreciated and the existence and amount of any impairment.

Tangible assets are depreciated on a straight line basis over their estimated useful lives and taking into account their expected residual values. When the Company estimates useful lives, various factors are considered including expected technological obsolescence and the expected usage of the asset.

The Director regularly review these asset lives and change them as necessary to reflect the estimated current remaining lives in light of technological changes, future economic utilisation and physical condition of the assets concerned. A significant change in asset lives can have a significant change on depreciation and amortisation charges for the period.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. This obligation may be legal or constructive deriving from regulations, contracts, normal practices or public commitments that lead third parties to reasonably expect that the Company will assume certain responsibilities. The amount of the provision is determined based on the best estimate of the outflow of resources required to settle the obligation, taking into account all available information.

No provision is recognised if the amount of liability cannot be estimated reliably. In this case, the relevant information is disclosed in the notes to the financial statements.

Given the uncertainties inherent in the estimates used to determine the amount of provision, actual outflows of resources may differ from the amounts recognised originally on the basis of the estimates.

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

3 Operating profit

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange losses | 964 | - |
| Government grants | (7,880) | (371,088) |
| Depreciation of owned tangible fixed assets | 442,804 | 315,458 |
| Operating lease charges | 169,035 | 596,544 |
| | <u> </u> | <u> </u> |

4 Auditor's remuneration

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | £ | £ |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the company's financial statements | 25,500 | 24,000 |
| | <u> </u> | <u> </u> |

5 Employees

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

| | 2022 | 2021 |
|-----------------|-------------------|-------------------|
| | Number | Number |
| Nurses & Clinic | 69 | 61 |
| Administrative | 38 | 41 |
| | <u> </u> | <u> </u> |
| | 107 | 102 |
| | <u> </u> | <u> </u> |

Their aggregate remuneration comprised:

| | 2022 | 2021 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| Wages and salaries | 2,920,540 | 2,944,602 |
| Social security costs | 307,604 | 257,071 |
| Pension costs | 153,855 | 139,293 |
| | <u> </u> | <u> </u> |
| | 3,381,999 | 3,340,966 |
| | <u> </u> | <u> </u> |

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

| 6 Director's remuneration | 2022 | 2021 |
|---|---------------|---------------|
| | £ | £ |
| Remuneration for qualifying services | - | 4,406 |
| Company pension contributions to defined contribution schemes | 75,000 | 50,000 |
| | <u>75,000</u> | <u>54,406</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

| 7 Interest receivable and similar income | 2022 | 2021 |
|--|--------------|--------------|
| | £ | £ |
| Interest income | | |
| Other interest income | 5,294 | 2,767 |
| | <u>5,294</u> | <u>2,767</u> |

| 8 Interest payable and similar expenses | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| Interest on bank overdrafts and loans | 1,059 | 4,241 |
| Interest payable on other loans | 478,852 | 483,942 |
| Other interest | 119,591 | 144,538 |
| | <u>599,502</u> | <u>632,721</u> |

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

9 Taxation

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

| | 2022 | 2021 |
|--|-----------|-----------|
| | £ | £ |
| Profit before taxation | 181,556 | 1,204,237 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 34,496 | 228,805 |
| Tax effect of expenses that are not deductible in determining taxable profit | 1,113 | (1,849) |
| Tax effect of utilisation of tax losses not previously recognised | (29,271) | (232,510) |
| Depreciation on assets not qualifying for tax allowances | 84,133 | 59,937 |
| Capital allowances | (171,634) | (136,826) |
| Loan relationship credits | 50,673 | 50,673 |
| Loan relationship debits | 30,490 | 31,770 |
| Tax expense for the year | - | - |

The company has estimated losses of £7,560,000 (2021 - £ 7,710,000) available for carry forward against future trading profits.

10 Intangible fixed assets

| | Intangible assets |
|------------------------------------|-------------------|
| | £ |
| Cost | |
| At 1 July 2021 and 30 June 2022 | 5,000,000 |
| Amortisation and impairment | |
| At 1 July 2021 and 30 June 2022 | 5,000,000 |
| Carrying amount | |
| At 30 June 2022 | - |
| At 30 June 2021 | - |

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

11 Tangible fixed assets

| | Plant and machinery | Fixtures, fittings & equipment | Total |
|------------------------------------|---------------------|--------------------------------|------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 July 2021 | 6,551,317 | 1,479,214 | 8,030,531 |
| Additions | 531,056 | 285,565 | 816,621 |
| At 30 June 2022 | <u>7,082,373</u> | <u>1,764,779</u> | <u>8,847,152</u> |
| Depreciation and impairment | | | |
| At 1 July 2021 | 5,891,823 | 1,184,107 | 7,075,930 |
| Depreciation charged in the year | 287,422 | 155,382 | 442,804 |
| At 30 June 2022 | <u>6,179,245</u> | <u>1,339,489</u> | <u>7,518,734</u> |
| Carrying amount | | | |
| At 30 June 2022 | <u>903,128</u> | <u>425,290</u> | <u>1,328,418</u> |
| At 30 June 2021 | <u>659,494</u> | <u>295,107</u> | <u>954,601</u> |

12 Debtors

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 439,313 | 334,624 |
| Amounts owed by group undertakings | 699,055 | 458,557 |
| Other debtors | 79,009 | 77,132 |
| Prepayments and accrued income | 1,363,965 | 1,273,478 |
| | <u>2,581,342</u> | <u>2,143,791</u> |

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

13 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|----------------------------------|------------------|------------------|
| | £ | £ |
| Obligations under finance leases | 28,544 | - |
| Trade creditors | 1,101,077 | 822,674 |
| Taxation and social security | 87,574 | 68,322 |
| Other creditors | 693,243 | 621,887 |
| Accruals and deferred income | 720,308 | 653,818 |
| | <u>2,630,746</u> | <u>2,166,701</u> |

There is a fixed and floating charge over the assets of the company in favour of its bankers. There is also a cross guarantee with Eye Hospitals Group Limited and Ultralase Eye Clinics Limited.

Included in other creditors is the sum of £300,000 (2021: £285,000) in respect of amounts due under the company voluntary arrangement entered into on 27 November 2020 for a period of at least 48 months (and not exceeding 52 months without the approval of at least 75% of creditors).

14 Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|------------------|-------------------|-------------------|
| | £ | £ |
| Other borrowings | 11,417,001 | 10,897,372 |
| Other creditors | 585,774 | 806,378 |
| | <u>12,002,775</u> | <u>11,703,750</u> |

There is a debenture secured against the monies due or to become due from Optimax Clinics Limited to R K Ambrose, a director and shareholder of the company.

Included in other creditors is the sum of £585,774 (2021: £806,378) in respect of amounts due under the company voluntary arrangement entered into on 27 November 2020 for a period of at least 48 months (and not exceeding 52 months without the approval of at least 75% of creditors).

15 Provisions for liabilities

| | 2022 | 2021 |
|---------------|----------------|------------------|
| | £ | £ |
| Patient Costs | <u>665,172</u> | <u>1,073,558</u> |

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

15 Provisions for liabilities (Continued)

Movements on provisions:

| | Patient Costs |
|-----------------------------------|----------------------|
| | £ |
| At 1 July 2021 | 1,073,558 |
| Additional provisions in the year | 58,667 |
| Utilisation of provision | (467,053) |
| | <hr/> |
| At 30 June 2022 | 665,172 |
| | <hr/> <hr/> |

Patient Costs

Following patient treatments, there are a number of additional costs to be incurred once the results of the treatments have been reassessed. The provision is expected to be fully utilised over a period of time in accordance with the age profile of the patients.

16 Retirement benefit schemes

| | 2022 | 2021 |
|---|-------------|-------------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 153,855 | 139,293 |
| | <hr/> | <hr/> |

The company operates a defined contribution pension scheme for all qualifying employees and also for the director. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share-based payment transactions

Eye Hospitals Group Limited has granted Enterprise Management Incentive [EMI] options to employees of this company.

Directors and staff are granted options at the company's discretion and a total of 11,250 EMI options were granted on 10 April 2017 to 8 employees. Since that date, 2 employees left in 2018 resulting in 2,000 options lapsing and a further 1,375 options lapsed when 2 employees were made redundant in October 2020 and November 2020 respectively. At the year end, there were 7,875 options (2021 - 7,875 options) remaining relating to 4 employees and these can be exercised at any time before 10 April 2027.

The estimated fair value of each option granted is £Nil. The estimated fair value was calculated with reference to the valuation agreed with HMRC. If any individual leaves the company before the exercise of their options then their options lapse.

There are no performance conditions attaching to the scheme. The exercise price is £0.01 per share.

18 Share capital

| | 2022 | 2021 | 2022 | 2021 |
|-------------------------------|---------------|---------------|-------------|-------------|
| | Number | Number | £ | £ |
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | 1,000 | 1,000 | 1,000 | 1,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

18 Share capital (Continued)

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

19 Reserves

Other reserves

The other reserves represent the capital contribution arising on the restatement of the directors loan account following transition to FRS102 and movements in subsequent years.

Profit and loss reserves

Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.

20 Operating lease commitments

Lessee

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

| | 2022 | 2021 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Within one year | 106,016 | 119,558 |
| Between two and five years | 240,648 | 291,264 |
| In over five years | 119,045 | 174,445 |
| | <u>465,709</u> | <u>585,267</u> |

21 Related party transactions

Transactions with related parties

| | Recharged expenses and purchases | |
|--------------------------|----------------------------------|----------------|
| | 2022 | 2021 |
| | £ | £ |
| Key management personnel | 104,581 | 540,791 |
| Other related parties | 91,050 | 21,778 |
| | <u>195,631</u> | <u>562,569</u> |

During the period, a notional interest charge of £478,852 (2021: £483,942) was also provided for key management personnel of the company in accordance with FRS 102.

Key management personnel of the company waived the right to rent licence fees for part of the the year for some clinics (in the prior period waived up to May 2020) in respect of properties made available for use as clinics. The sum of £428,490 (2021: £95,865) represents rent licence fees waived.

OPTIMAX CLINICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

21 Related party transactions (Continued)

The company has taken advantage of the exemptions from disclosure available to subsidiary undertakings under section 33 of FRS102 in connection with intra group transactions.

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | £ | £ |
| Amounts owed to related parties | | |
| Key management personnel | 11,417,001 | 10,897,372 |
| Other related parties | 80,447 | 60,000 |
| | <u>11,497,448</u> | <u>10,957,372</u> |

The company has taken advantage of the exemptions from disclosure available to subsidiary undertakings under section 33 of FRS102 in connection with intra group transactions.

| | 2022 | 2021 |
|--|----------------|---------------|
| | £ | £ |
| Amounts owed from related parties | | |
| Other related parties | 127,425 | 41,021 |
| | <u>127,425</u> | <u>41,021</u> |

22 Ultimate controlling party

The company is a wholly owned subsidiary of Eye Hospitals Group Limited, a company incorporated in England and Wales. The ultimate controlling party is R K Ambrose by virtue of his shareholding in that company.

23 Post balance sheet events

In April 2023, the director agreed to waive the loan at the start of the company voluntary arrangement for £10,145,709 (together with any notional interest accrued on this loan since then) due to him which is included within the other borrowings figure as set out in note 14 which has been approved by the supervisor of the company voluntary arrangement.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.