

Company Registration No. 09621608 (England and Wales)

OPTIMA HEALTH GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



OPTIMA HEALTH GROUP LIMITED

COMPANY INFORMATION

Directors	A Jain J Thomas S Arnold
Company number	09621608
Registered office	Meadow Court 2 Hayland Street Sheffield South Yorkshire S9 1BY
Auditor	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
Business address	Unit 5 Albert Edward House The Pavilions Preston Lancashire PR2 2YB

OPTIMA HEALTH GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Fair Review of the Business

The Group is the market leader in occupational health and wellbeing services and maintains its focus on its core market to both the private and public sectors across a diversified UK-wide customer base. All trading results are derived from this activity. Revenue at £56,437,955 (2019: £54,041,919) showed a 4% increase year-on-year despite the Covid-19 pandemic trading conditions, which was achieved through both organic growth with new customer wins and existing customer expansions as the group furthered its market leading position. Group EBITDA was £4,424,738 (2019: £2,124,500). The growth in EBITDA was generated by realisation of strategic margin improvements underpinned by its proprietary technology, in addition to strong new business wins, and significant long term existing client expansions.

Like all UK businesses the Group was presented with changeable trading conditions due to the Covid-19 pandemic during the year. Management are pleased to report that the Group was able to successfully adapt to these changing conditions swiftly and efficiently to ensure the continued delivery of our key services to clients, many of which themselves provide critical services to the UK economy. As such, the Group has shown strong resilience during a challenging period when many other companies experienced a significant negative impact.

During the year Management took the decision to proceed with inflight strategic initiatives, rather than defer or divert attention, and made further significant progress following on from its 2019 successes; growing the business organically and thereby increasing market share through new business and significant expansions with existing clients; enhancing IT and delivery platforms; increasing automation and efficiency to enhance its market leading operational leverage; continued significant investment in the development and deployment of new services underpinned by new technology; strengthening existing and launching new partnerships.

Management are pleased to report continued growth in revenue and EBITDA, key KPI's for the Group, with year on year improvement. A table showing the revenue and EBITDA is illustrated below in table 1. Current assets increased by 54% at £21,815,067 (2019: £14,196,229) due to increased cash at bank at £11,636,575 (2019: £3,017,531) generated by improved debtors conversion. Creditors due within one year increased by 57% to £17,513,065 (2019: £11,143,457) due to increased deferral of revenue balances and the deferral of VAT liabilities, as a result net current assets were £4,302,002 (2019: £3,052,772).

Table 1 – Profit and Loss 2019 to 2020

Dec y/e	2019	2020
Revenue	£54,041,919	£56,437,955
EBITDA	£2,124,500	£4,424,738
EBITDA %	4%	8%
Revenue growth	2%	4%
EBITDA growth	334%	108%

In 2020 the Group retendered, retained and grew multiple clients across multiple sectors and furthered its industry leading position. Under its Future Optima programme, the Group continued to invest in its IT platform, establishing a significant in-house development team, positioning it at the forefront of the market from a technology perspective; this proprietary platform (my OHPortal) has proven a key differentiator in recent new business wins, and the Group plans to continue to progress its technology enabled strategy.

OPTIMA HEALTH GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal Risks and Uncertainties

The successes in our tenders show that the quality of service and innovation is still a key part of a client's decision-making process. Our focus on clinical excellence continues to underpin the quality services we provide and is another key differentiator, loss-leader pricing competition represents a continued business risk, but most knowledgeable purchasers are able to discern between service offerings in the procurement process.

Risk management is a key focus area for the Board. The Group operates a Risk Management Committee to regularly review, monitor, and mitigate risk. The Directors continue to manage principal risks including retaining contracts when they are due for formal renewal and ensuring healthy sales growth is achieved; technology disruption risk which is actively monitored; data security risk which is controlled through increased automation of processes and mitigated through regular training and an information security conscious employee awareness and; management continue to focus on retaining competent and forward-thinking clinicians.

Key performance Indicators

Key Performance Indicators (KPI's) for the Group include Revenue and EBITDA. Internal measurement systems producing robust metrics and regular reporting reviews provide on-going analysis (with action) of these items throughout the business as part of a comprehensive corporate governance structure.

Section 172 Statement

Optima Health Group and its Board of Directors are committed to promoting the success of the company for the benefit of its stakeholders, including; shareholders; employees and their families; customers; suppliers; and the community. The Group endeavours to act in an equitable manner between its stakeholders, it does this by seeking to understand different stakeholders' viewpoints and then considering them in its decision making. Underlying this commitment is the Group's desire to maintain a reputation for high standards of business conduct.

The Group conducts regular board meetings and various specialist committees to monitor and appraise the companies progress against its strategic priorities and to consider the long-term outcomes of its decisions and actions.

A key stakeholder of the Group is our committed employee base. Intertwined in almost every decision which is taken our employees are considered. Underpinning this the Group has implemented various initiatives to enhance our employee's engagement, communication, and to complement our values which encompass everything we do.

The Group considers communicating with its employees to be incredibly important to both update our employees but also to receive feedback on plans and proposals. As such, there is a structured communication framework across the business. In addition to our employee survey, the company also conducts regular town hall calls to give a detailed company overview including a financial update and Management regularly communicates via a blog on a weekly basis, as well as providing a monthly audio performance update to all employees.

The Board also regularly considers its environmental, corporate social responsibility, and risk management approach, through committees set up for each purpose. By the nature of our services and client base our decisions impact the community, the environment and UK PLC directly, and for this reason the Board seeks to ensure that our decisions have a positive impact. We do this through our ESG monitoring and promotion. Furthermore, the Group actively reviews its approach to fostering long term business relationships with its customers, suppliers, and other stakeholders, at all times seeking to operate in a manner aligned with its values and with integrity. An example of such initiative is the regular creditor payment days reporting the Group undertakes to ensure the company is paying its suppliers as quickly as possible.

OPTIMA HEALTH GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Employee Involvement

In 2020 the Group continued with our One Voice employee survey, to give employees an opportunity to give their feedback, which provided useful focus areas to help shape our people strategy. Following the re-launch of its wellbeing strategy for 2020 the Group implemented several new initiatives in 2020 including:

- Forming a Your Voice information and consultation group;
- Paying all colleagues a bonus in December as a thank you;
- Holding regular virtual fun engagement events including significant charitable donations;
- Implementing life assurance cover for all colleagues;
- Implementing Perkbox for all colleagues;
- Signing up to the living wage foundation for all colleagues as a real Living Wage Employer.

Outlook

Looking ahead, the Group plans to continue focussing on its sustainable and core market of Occupational Health and Wellbeing services and is committed to continuing to deliver its strategic priorities which are underpinned with a strategic plan to continue to lead the market in clinical quality, technological advancement, value for money, and customer outcomes.

OPTIMA HEALTH GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Energy and Carbon Reporting

	Current Reporting Year 2020 UK and offshore (mandatory)
Total Energy Consumption (kWh)	1,381,760
Energy Consumption for natural gas (kWh)	387,731
Energy Consumption for electricity (kWh)	190,671
Energy Consumption for transport (kWh)	803,358
Emissions from combustion of natural gas (Scope 1) (tCO ₂ e)	71
Emissions from combustion of fuel for transport (Scope 1) (tCO ₂ e)	31
Emissions from purchased electricity (Scope 2) (tCO ₂ e)	44
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) (tCO ₂ e)	161
Total emissions (tCO ₂ e)	308
Intensity Ratio (tCO ₂ e/turnover£m)	5.47

Methodology

The 2019 HM Government Environmental Reporting Guidelines, GHG Reporting Protocol – Corporate Standard have been followed and the 2020 UK Government's Conversion Factors for Company Reporting have been used.

Intensity Ratio

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per £m turnover. The total turnover £m during financial year 2020 was £56.4m

Energy Efficiency Action

Target to reduce electricity consumption by 10% to have been achieved via moving the Glasgow office to a more energy efficient office. Due to the COVID global pandemic the office move was put on hold. However, a 9% reduction was achieved due to the pre-June 2020 lockdowns, subsequent reduced staffing levels at the 3 main sites Redditch, Sheffield and Glasgow.

The Glasgow office contributed a high amount of electricity consumption post June 2020 due to the building being mechanically ventilated and HSE recommended that all HVAC system run 24/7 to limit the risk of COVID. This policy remains in place until end of June 2021.

On behalf of the board



J Thomas
Director

Date: 28/05/2021

OPTIMA HEALTH GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the group continued to be that of Occupational Health and Wellbeing Services.

Directors

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

A Jain
J Thomas
S Arnold

Results and dividends

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report, including the carbon reporting, future developments information, employee engagement statement and stakeholder engagement statement (incorporated within the section 172 statement).

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

OPTIMA HEALTH GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board



J Thomas
Director

Date: 28/05/2021

OPTIMA HEALTH GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIMA HEALTH GROUP LIMITED

Opinion

We have audited the financial statements of Optima Health Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIMA HEALTH GROUP LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIMA HEALTH GROUP LIMITED (CONTINUED)

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, assessing whether the judgements made in making accounting estimates are indicative of potential bias. We tested a sample of revenue transactions recognised either side of the reporting date to determine whether revenue was recorded in the correct period.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIMA HEALTH GROUP LIMITED (CONTINUED)

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.



Ian Taylor (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Bluebell House

Brian Johnson Way

Preston

Lancashire, PR2 5PE

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28 May 2021

OPTIMA HEALTH GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	56,437,955	54,041,919
Cost of sales		(44,540,965)	(43,037,626)
Gross profit		11,896,990	11,004,293
Administrative expenses		(12,857,880)	(12,472,528)
Other operating income	4	1,490,890	-
Operating profit/(loss)	7	530,000	(1,468,235)
Interest payable and similar expenses	9	(3,302,328)	(2,991,332)
Loss before taxation		(2,772,328)	(4,459,567)
Tax on loss	10	(10,627)	257,706
Loss for the financial year		(2,782,955)	(4,201,861)

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

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

OPTIMA HEALTH GROUP LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	11	2,168,083		2,613,991	
Other intangible assets	11	9,792,716		11,377,333	
Total intangible assets		11,960,799		13,991,324	
Tangible assets	12	1,784,627		1,572,853	
		13,745,426		15,564,177	
Current assets					
Debtors	15	10,178,492		11,178,698	
Cash at bank and in hand		11,636,575		3,017,531	
		21,815,067		14,196,229	
Creditors: amounts falling due within one year	16	(17,513,065)		(11,143,457)	
Net current assets		4,302,002		3,052,772	
Total assets less current liabilities		18,047,428		18,616,949	
Creditors: amounts falling due after more than one year	17	(30,488,008)		(28,285,201)	
Provisions for liabilities	19	(1,051,414)		(1,040,787)	
Net liabilities		(13,491,994)		(10,709,039)	
Capital and reserves					
Called up share capital	21	223,940		223,940	
Share premium account	22	1,776,060		1,776,060	
Profit and loss reserves	22	(15,491,994)		(12,709,039)	
Total equity		(13,491,994)		(10,709,039)	

The financial statements were approved by the board of directors and authorised for issue on 28/05/2021 and are signed on its behalf by:




J Thomas
Director

OPTIMA HEALTH GROUP LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	13		2,000,000		2,000,000
Current assets					
Debtors	15	140,010		140,005	
Cash at bank and in hand		20		50	
		140,030		140,055	
Creditors: amounts falling due within one year	16	(140,080)		(140,080)	
Net current liabilities			(50)		(25)
Total assets less current liabilities			1,999,950		1,999,975
Capital and reserves					
Called up share capital	21	223,940		223,940	
Share premium account	22	1,776,060		1,776,060	
Profit and loss reserves	22	(50)		(25)	
Total equity			1,999,950		1,999,975

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss and total comprehensive income for the year was £25 (2019 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 28/05/2021 and are signed on its behalf by:


 J Thomas
 Director

OPTIMA HEALTH GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2019	223,940	1,776,060	(8,507,178)	(6,507,178)
Year ended 31 December 2019:				
Loss and total comprehensive expense for the year	-	-	(4,201,861)	(4,201,861)
Balance at 31 December 2019	223,940	1,776,060	(12,709,039)	(10,709,039)
Year ended 31 December 2020:				
Loss and total comprehensive expense for the year	-	-	(2,782,955)	(2,782,955)
Balance at 31 December 2020	223,940	1,776,060	(15,491,994)	(13,491,994)

OPTIMA HEALTH GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2019	223,940	1,776,060	(25)	1,999,975
Year ended 31 December 2019:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 31 December 2019	223,940	1,776,060	(25)	1,999,975
Year ended 31 December 2020:				
Loss and total comprehensive income for the year	-	-	(25)	(25)
Balance at 31 December 2020	223,940	1,776,060	(50)	1,999,950

OPTIMA HEALTH GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	23	11,507,588		1,489,348	
Interest paid		(249,521)		(101,639)	
Income taxes paid		(3)		(109,693)	
Net cash inflow from operating activities		<u>11,258,064</u>		<u>1,278,016</u>	
Investing activities					
Purchase of intangible assets		(1,219,317)		(1,059,082)	
Purchase of tangible fixed assets		(856,670)		(442,406)	
Net cash used in investing activities		<u>(2,075,987)</u>		<u>(1,501,488)</u>	
Financing activities					
Repayment of bank loans		(350,000)		-	
Net cash used in financing activities		<u>(350,000)</u>		<u>-</u>	
Net increase/(decrease) in cash and cash equivalents		<u>8,832,077</u>		<u>(223,472)</u>	
Cash and cash equivalents at beginning of year		978,201		1,201,673	
Cash and cash equivalents at end of year		<u><u>9,810,278</u></u>		<u><u>978,201</u></u>	
Relating to:					
Cash at bank and in hand		11,636,575		3,017,531	
Bank overdrafts included in creditors payable within one year		<u>(1,826,297)</u>		<u>(2,039,330)</u>	

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Optima Health Group Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Meadow Court, 2 Hayland Street, Sheffield, South Yorkshire, S9 1BY.

The group consists of Optima Health Group Limited and all of its subsidiaries.

The group's and the company's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

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

The 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 for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Basis of consolidation

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

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

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

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resource to continue in operational existence for the foreseeable future. This expectation is based on the groups'; stable underlying EBITDA performance which is forecasted to continue; strong net current asset position and cash conversion; and loan facilities available. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for 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.

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

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

Intangible fixed assets other than goodwill

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

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

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

Software	20 - 33% straight line
Customer relationships	10% - 15% straight line
Brand	10% straight line

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Tangible fixed assets

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

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

Leasehold land and buildings	Straight line over 63 months
Fixtures and fittings	20% straight line
Computers	20 - 50% straight line
Motor vehicles	20% straight line
Surgical equipment	33% straight line

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

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group 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 when the group becomes party to the contractual provisions of the instrument.

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

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other 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.

Impairment of financial assets

Financial assets 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.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, 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 payments discounted at a market rate of interest.

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

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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

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.

The government grant income received during the year ended 31 December 2020 related to the government's Coronavirus Job Retention Scheme.

Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

All translation differences are taken to profit or loss.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Goodwill and other intangibles

On calculating goodwill, the directors have identified other intangible assets that have been separately recognised.

Calculation of the fair value of these intangibles requires judgements to be made, which include estimated discount rates and retention rates of customers.

Amortisation rates

The directors have made judgements when determining the useful economic life of goodwill and other intangible assets. Amortisation is recognised so as to write off the value of assets over the life that economic benefit is expected to flow.

3 Turnover and other revenue

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

	2020	2019
	£	£
Turnover analysed by class of business		
Services	56,437,955	54,041,919

All turnover is derived in the UK.

4 Other operating income

The other operating income of £1,490,890 (2019: £nil) is in relation to the UK government's Coronavirus Job Retention Scheme grant.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Administrative	122	36	-	-
Direct	757	738	-	-
Total	879	774	-	-

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	31,332,676	27,231,445	-	-
Social security costs	2,681,393	2,413,947	-	-
Pension costs	1,544,935	1,369,915	-	-
	35,559,004	31,015,307	-	-

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	339,550	639,601
Company pension contributions to defined contribution schemes	8,342	27,822
	347,892	667,423

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	208,550	235,974

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 2).

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Operating profit/(loss)

	2020 £	2019 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange differences	2,113	819
Government grants	(1,490,890)	-
Depreciation of owned tangible fixed assets	644,896	541,382
Amortisation of intangible assets	3,249,842	3,051,353
Operating lease charges	1,212,456	976,977
	<u> </u>	<u> </u>

8 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	12,200	10,750
Audit of the financial statements of the company's subsidiaries	24,150	22,600
	<u> </u>	<u> </u>
	36,350	33,350
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	6,800	6,300
All other non-audit services	11,800	11,275
	<u> </u>	<u> </u>
	18,600	17,575
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	199,519	214,370
Other interest	3,102,809	2,776,962
	<u> </u>	<u> </u>
Total finance costs	3,302,328	2,991,332
	<u> </u>	<u> </u>

10 Taxation

	2020 £	2019 £
Current tax		
Adjustments in respect of prior periods	-	60,685
	<u> </u>	<u> </u>

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	35,061	(330,288)
Changes in tax rates	(24,434)	-
Adjustment in respect of prior periods	-	11,897
	<u>10,627</u>	<u>(318,391)</u>
Total deferred tax	10,627	(318,391)
	<u>10,627</u>	<u>(257,706)</u>

The total tax charge/(credit) for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	<u>(2,772,328)</u>	<u>(4,459,567)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(526,742)	(847,318)
Tax effect of expenses that are not deductible in determining taxable profit	529,467	459,772
Adjustments in respect of prior years	-	60,685
Effect of change in corporation tax rate	(24,434)	32,097
Deferred tax adjustments in respect of prior years	-	11,897
Fixed asset differences	32,336	82,623
Deferred tax not recognised	-	(57,462)
	<u>10,627</u>	<u>(257,706)</u>
Taxation charge/(credit)	10,627	(257,706)

On 17 March 2020 a resolution was substantively enacted to setting the rate of corporation tax at 19%.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Intangible fixed assets

Group	Goodwill	Software	Customer relationships	Brand	Total
	£	£	£	£	£
Cost					
At 1 January 2020	4,758,142	4,649,443	13,129,531	1,038,630	23,575,746
Additions - internally developed	-	809,739	-	-	809,739
Additions - separately acquired	-	33,780	375,798	-	409,578
At 31 December 2020	4,758,142	5,492,962	13,505,329	1,038,630	24,795,063
Amortisation and impairment					
At 1 January 2020	2,144,151	2,574,916	4,553,766	311,589	9,584,422
Amortisation charged for the year	445,908	1,367,145	1,332,926	103,863	3,249,842
At 31 December 2020	2,590,059	3,942,061	5,886,692	415,452	12,834,264
Carrying amount					
At 31 December 2020	2,168,083	1,550,901	7,618,637	623,178	11,960,799
At 31 December 2019	2,613,991	2,074,527	8,575,765	727,041	13,991,324

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

During the year the group acquired customer relationships totalling £375,798. These customer relationships were acquired as part of a long term partnership to provide occupational health and wellbeing services to an existing client base. These costs are being amortised over the life of the contract, being 7 years.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

Group	Leasehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Surgical equipment	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	137,473	715,955	2,213,613	447,605	320,525	3,835,171
Additions	-	389,884	466,786	-	-	856,670
At 31 December 2020	137,473	1,105,839	2,680,399	447,605	320,525	4,691,841
Depreciation and impairment						
At 1 January 2020	111,033	306,260	1,364,953	256,447	223,625	2,262,318
Depreciation charged in the year	13,269	127,504	397,861	69,570	36,692	644,896
At 31 December 2020	124,302	433,764	1,762,814	326,017	260,317	2,907,214
Carrying amount						
At 31 December 2020	13,171	672,075	917,585	121,588	60,208	1,784,627
At 31 December 2019	15,378	420,757	848,660	191,158	96,900	1,572,853

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

13 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	14	-	-	2,000,000	2,000,000

Fixed asset investments not carried at market value

The value of the investments is calculated using cost less impairment.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 January 2020 and 31 December 2020

2,000,000

Carrying amount

At 31 December 2020

2,000,000

At 31 December 2019

2,000,000

14 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect	
OH Assist Finance Limited	(i)	Intermediate holding company	Ordinary	-	100.00
OH Assist Intermediate Limited	(i)	Intermediate holding company	Ordinary	100.00	-
OH Assist Limited	(i)	Occupational Health and Wellbeing Services	Ordinary	-	100.00
Optima Health Limited	(ii)	Dormant	Ordinary	-	100.00
Working on Wellbeing Limited	(ii)	Occupational Health and Wellbeing Services	Ordinary	-	100.00

(i) Meadow Court, 2 Hayland Street, Sheffield, South Yorkshire, S9 1BY

(ii) Grosvenor House, Prospect Hill, Redditch, Worcestershire, B97 4DL

15 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	5,488,225	5,879,761	-	-
Corporation tax recoverable	330,281	330,278	-	-
Other debtors	225,874	567,310	140,010	140,005
Prepayments and accrued income	4,134,112	4,401,349	-	-
	<u>10,178,492</u>	<u>11,178,698</u>	<u>140,010</u>	<u>140,005</u>

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	18	2,326,297	2,039,330	-	-
Trade creditors		1,124,885	2,246,477	-	-
Amounts owed to group undertakings		-	-	140,080	140,080
Other taxation and social security		4,316,852	1,838,365	-	-
Other creditors		506,233	252,741	-	-
Accruals and deferred income		9,238,798	4,766,544	-	-
		<u>17,513,065</u>	<u>11,143,457</u>	<u>140,080</u>	<u>140,080</u>

The group has a bank overdraft facility of £3,000,000 secured on the assets of Optima Health Group Limited, OH Assist Intermediate Limited, OH Assist Finance Limited and OH Assist Limited.

Amounts owed to group undertakings are interest free and repayable on demand.

There is a debenture including a fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertakings both present and future dated 16 December 2016.

17 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	18	1,893,114	2,793,115	-	-
Other borrowings	18	28,594,894	25,492,086	-	-
		<u>30,488,008</u>	<u>28,285,201</u>	<u>-</u>	<u>-</u>

Included in other borrowings is an amount of £28,594,894 (2019: £25,492,086) in relation to a shareholder loan. The original loan was for £16,300,000 and is subject to annual interest of 12% which is capitalised onto the loan balance. The loan balance also includes £125,000 (2019: £150,000) of capitalised fees which are being written off over the term of the loan. The loan is repayable on 31 December 2025, together with the accrued interest.

Also included in creditors due after more than one year is an amount of £1,893,114 (2019: £2,793,115) in relation to a bank loan. The original loan was for £3,000,000 and was repayable on 1 September 2022. The loan facility was refinanced during the year and split into two tranches. The first tranche totalling £1,500,000 is now being repaid over a term of 3 years, with an amount of £500,000 included in creditors due within one year. This tranche is subject to annual interest of 2.75% plus LIBOR. The second tranche totalling £1,500,000 is repayable on 1 September 2022 and is subject to annual interest of 3.25% plus LIBOR. The loan balance also includes £156,885 (2019: £206,885) of capitalised fees which are being released over the duration of the loan.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Creditors: amounts falling due after more than one year (Continued)

Amounts included above which fall due within five years are as follows:

Payable other than by instalments	-	25,492,086	-	-
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18 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	2,393,114	2,793,115	-	-
Bank overdrafts	1,826,297	2,039,330	-	-
Other loans	28,594,894	25,492,086	-	-
	<u>32,814,305</u>	<u>30,324,531</u>	<u>-</u>	<u>-</u>
Payable within one year	2,326,297	2,039,330	-	-
Payable after one year	<u>30,488,008</u>	<u>28,285,201</u>	<u>-</u>	<u>-</u>

The other loans are from the principal shareholders. Please see note 17 for further detail.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2020 £	Liabilities 2019 £
Accelerated capital allowances	1,365,500	1,516,203
Short term timing differences	104,596	(47,371)
Tax losses	(418,682)	(428,045)
	<u>1,051,414</u>	<u>1,040,787</u>

The company has no deferred tax assets or liabilities.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

19 Deferred taxation (Continued)

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 January 2020	1,040,787	-
Charge to profit or loss	10,627	-
Liability at 31 December 2020	<u>1,051,414</u>	<u>-</u>

Prior year deferred tax has been calculated based on the Chancellor intention to reduce the main rate of corporation to 17% from 1 April 2020. These reductions were enacted as part of the Finance Bill on 6 September 2016.

On 17 March 2020 a resolution was substantively enacted to setting the rate of corporation tax at 19%. As such this change has impacted the rate at which deferred tax is calculated.

20 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,544,935</u>	<u>1,369,915</u>

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

Outstanding pension contributions at the year end, included within other creditors, amounted to £253,750 (2019: £221,671).

21 Share capital

	Group and Company			
	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
Ordinary of 1p each	100	100	-	-
Ordinary A of 10p each	1,600,000	1,600,000	160,000	160,000
Ordinary B of 10p each	283,400	283,400	28,340	28,340
Ordinary C of £1 each	26,600	26,600	26,600	26,600
Ordinary D of 10p each	90,000	90,000	9,000	9,000
	<u>2,000,100</u>	<u>2,000,100</u>	<u>223,940</u>	<u>223,940</u>

All classes of shares have full voting, dividends and capital distribution rights.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

22 Reserves

Share premium

The share premium account consists of the amount of consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

23 Cash generated from group operations

	2020 £	2019 £
Loss for the year after tax	(2,782,955)	(4,201,861)
Adjustments for:		
Taxation charged/(credited)	10,627	(257,706)
Finance costs	3,302,328	2,991,332
Amortisation and impairment of intangible assets	3,249,842	3,051,353
Depreciation and impairment of tangible fixed assets	644,896	541,382
Movements in working capital:		
Decrease/(increase) in debtors	1,000,209	(1,428,983)
Increase in creditors	6,082,641	793,831
Cash generated from operations	11,507,588	1,489,348

24 Analysis of changes in net debt - group

	1 January 2020 £	Cash flows £	Other non- cash changes £	31 December 2020 £
Cash at bank and in hand	3,017,531	8,619,044	-	11,636,575
Bank overdrafts	(2,039,330)	213,033	-	(1,826,297)
	978,201	8,832,077	-	9,810,278
Borrowings excluding overdrafts	(28,285,201)	(2,627,807)	(75,000)	(30,988,008)
	(27,307,000)	6,204,270	(75,000)	(21,177,730)

The movement in borrowings excluding overdrafts relates to capitalised interest.

25 Financial commitments, guarantees and contingent liabilities

There is a Composite Company Limited Multilateral Guarantee dated 16 December 2016 given by Optima Health Group Limited, OH Assist Limited, OH Assist Finance Limited, OH Assist Intermediate Limited and Working on Wellbeing Limited.

OPTIMA HEALTH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

26 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	799,147	572,265	-	-
Between one and five years	2,032,860	185,253	-	-
	<u>2,832,007</u>	<u>757,518</u>	<u>-</u>	<u>-</u>

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group is as follows.

	2020 £	2019 £
Aggregate compensation	<u>392,335</u>	<u>742,444</u>

Other information

During the year there were purchases from the ultimate parent of £45,000 (2019: £11,315). There were no balances outstanding at the year end.

During the year interest of £3,120,809 (2019: £2,776,962) was paid to the ultimate parent in respect of the loan included within other borrowings of £28,594,894 (2019: £25,492,086).

28 Controlling party

The company is under the ultimate control of CBPE Capital LLP, who own the majority of the share capital in Optima Health Group Limited.