
OPTIMAL TECHNOLOGIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2024

OPTIMAL TECHNOLOGIES LIMITED
REGISTERED NUMBER: 03468747

BALANCE SHEET
AS AT 30 APRIL 2024

| | Note | 2024 £ | 2023 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Intangible assets | 5 | 6,088 | 9,273 |
| Tangible assets | 6 | 79,866 | 117,308 |
| | | <u>85,954</u> | <u>126,581</u> |
| Current assets | | | |
| Stocks | 7 | 2,946,886 | 1,355,528 |
| Debtors: amounts falling due within one year | 8 | 7,174,441 | 7,795,749 |
| Cash at bank and in hand | | 1,237,491 | 100,135 |
| | | <u>11,358,818</u> | <u>9,251,412</u> |
| Creditors: amounts falling due within one year | 9 | (4,658,418) | (2,568,342) |
| Net current assets | | <u>6,700,400</u> | <u>6,683,070</u> |
| Total assets less current liabilities | | <u>6,786,354</u> | <u>6,809,651</u> |
| Deferred tax | 11 | (5,487) | (11,045) |
| Other provisions | 12 | (164,183) | - |
| | | <u>(169,670)</u> | <u>(11,045)</u> |
| Net assets | | <u><u>6,616,684</u></u> | <u><u>6,798,606</u></u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 100 | 100 |
| Profit and loss account | | 6,616,584 | 6,798,506 |
| | | <u>6,616,684</u> | <u>6,798,606</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

OPTIMAL TECHNOLOGIES LIMITED
REGISTERED NUMBER: 03468747

BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2024

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 January 2025.

D C Thompson
Director

The notes on pages 3 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

1. General information

Optimal Technologies Limited ("the Company") is a company limited by shares, incorporated in England and Wales. Its registered office is Fourth Dimension, Fourth Avenue, Letchworth Garden City, Hertfordshire, SG6 2TD.

The Company's principal activities during the year under review were, the research, development, design and production of machinery, systems and after sales services primarily for the Ophthalmic lens, Precision Optics, Semi-conductor and Medical Implant industries worldwide.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

2.3 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

2. Accounting policies (continued)

2.3 Revenue (continued)

Long term contracts

Profit on long term contracts is taken as the work carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is recognised relative to the stage of completion of the contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Finance costs

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for certain employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following annual basis:

| | | | |
|----------------------------------|---|-----|---------------|
| Leasehold improvements | - | 10% | straight line |
| Plant and machinery | - | 10% | straight line |
| Fixtures, fittings and equipment | - | 25% | straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of income and retained earning.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

2. Accounting policies (continued)

2.15 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 balance sheet 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

a) Critical judgments in applying accounting policies

The company does not consider there to be any critical judgments in applying accounting policies.

b) Critical accounting estimates and assumptions

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

i) Long term contracts

The Company applies a general policy of recognising profit or loss on contracts only when the final outcome can be assessed with reasonable certainty. In doing so the directors have made key assumptions regarding the future costs to complete the contracts.

OPTIMAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

4. Employees

The average monthly number of employees, including directors, during the year was 37 (2023 - 33).

5. Intangible assets

| | Patents £ | Website development £ | Total £ |
|-------------------------------------|--------------|-----------------------------|------------|
| Cost | | | |
| At 1 May 2023 | 1,173 | 15,933 | 17,106 |
| At 30 April 2024 | 1,173 | 15,933 | 17,106 |
| Amortisation | | | |
| At 1 May 2023 | 1,173 | 6,660 | 7,833 |
| Charge for the year on owned assets | - | 3,185 | 3,185 |
| At 30 April 2024 | 1,173 | 9,845 | 11,018 |
| Net book value | | | |
| At 30 April 2024 | - | 6,088 | 6,088 |
| At 30 April 2023 | - | 9,273 | 9,273 |

OPTIMAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

6. Tangible fixed assets

| | Leasehold improvements | Plant and machinery etc | Total |
|--|---------------------------|----------------------------|----------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 May 2023 | 143,288 | 173,788 | 317,076 |
| Additions | 7,676 | 7,168 | 14,844 |
| At 30 April 2024 | <u>150,964</u> | <u>180,956</u> | <u>331,920</u> |
| Depreciation | | | |
| At 1 May 2023 | 59,758 | 140,010 | 199,768 |
| Charge for the year on owned assets | 6,936 | 9,921 | 16,857 |
| Charge for the year on financed assets | 35,429 | - | 35,429 |
| At 30 April 2024 | <u>102,123</u> | <u>149,931</u> | <u>252,054</u> |
| Net book value | | | |
| At 30 April 2024 | <u>48,841</u> | <u>31,025</u> | <u>79,866</u> |
| <i>At 30 April 2023</i> | <u>83,530</u> | <u>33,778</u> | <u>117,308</u> |

7. Stocks

| | 2024 | 2023 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Raw materials and consumables | 1,176,840 | 906,449 |
| Work in progress | 1,466,013 | 441,270 |
| Finished goods | 304,033 | 7,809 |
| | <u>2,946,886</u> | <u>1,355,528</u> |

OPTIMAL TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024**

8. Debtors

| | 2024 | 2023 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 453,875 | 1,573,540 |
| Amounts owed by group undertakings | 6,387,921 | 5,641,678 |
| Other debtors | 101,196 | 92,243 |
| Prepayments and accrued income | 231,449 | 488,288 |
| | 7,174,441 | 7,795,749 |

9. Creditors: Amounts falling due within one year

| | 2024 | 2023 |
|---|------------------|------------------|
| | £ | £ |
| Trade creditors | 1,810,324 | 1,249,126 |
| Other taxation and social security | 38,866 | 35,099 |
| Obligations under finance lease and hire purchase contracts | 3,288 | 11,161 |
| Other creditors | 9,467 | 8,439 |
| Accruals and deferred income | 2,796,473 | 1,264,517 |
| | 4,658,418 | 2,568,342 |

10. Finance leases

Minimum lease payments under hire purchase fall due as follows:

| | 2024 | 2023 |
|-----------------|-------------|--------------|
| | £ | £ |
| Within one year | - | 7,873 |

OPTIMAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

11. Deferred taxation

| | 2024 £ | 2023 £ |
|---------------------------|-----------------------|------------------------|
| At beginning of year | (11,045) | (12,543) |
| Charged to profit or loss | 5,558 | 1,498 |
| At end of year | <u>(5,487)</u> | <u>(11,045)</u> |

The provision for deferred taxation is made up as follows:

| | 2024 £ | 2023 £ |
|--------------------------------|----------------|-----------------|
| Accelerated capital allowances | <u>(5,487)</u> | <u>(11,045)</u> |

12. Provisions

| | Onerous contracts £ |
|---------------------------|---------------------------|
| Charged to profit or loss | 164,183 |
| At 30 April 2024 | <u>164,183</u> |

13. Share capital

| | 2024 £ | 2023 £ |
|--|------------|------------|
| Allotted, called up and fully paid | | |
| 100 (2023 - 100) Ordinary shares of £1.00 each | <u>100</u> | <u>100</u> |

14. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £44,866 (2023 - £42,923).

Included within other creditors is an amount of £9,467 (2023 - £7,497) in respect of contributions payable at the year end.

OPTIMAL TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024

15. Commitments under operating leases

At 30 April 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2024 | 2023 |
|--|-------------------------|----------------|
| | £ | £ |
| Not later than 1 year | 252,000 | 178,000 |
| Later than 1 year and not later than 5 years | 798,000 | 712,000 |
| Later than 5 years | - | 29,667 |
| | <u>1,050,000</u> | <u>919,667</u> |

16. Guarantees

A guarantee is provided by the Company to the sum of £1,103,556 (2023 - £1,515,055) for the obligations of Optimal Technologies Holdings Limited.

17. Related party transactions

Included within debtors is an amount of £6,387,921 (2023 - £5,641,678) owed from the parent company. There was no interest charged on the loan.

18. Post balance sheet events

Subsequent to the year end, additional information became available regarding the total forecasted loss on onerous contracts recognised at the year end. A provision of £164,183 was made as at 30 April 2024 based on the information available at that time.

Subsequently, it has been identified that the loss on the onerous contracts are forecasted to increase by £204,990.

19. Controlling party

The Company's immediate parent undertaking is Optimal Technologies Holdings Limited. The Company's registered office address is Leytonstone House, 3 Hanbury Drive, Leytonstone, United Kingdom, E11 1GA.

The ultimate controlling party is Mr J S Auluk.

20. Auditor's information

The auditor's report on the financial statements for the year ended 30 April 2024 was unqualified.

The audit report was signed on 28 January 2025 by Mehmet Hussein FCA (senior statutory auditor) on behalf of Barnes Roffe LLP.

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.