

Company Registration No. 10788058 (England and Wales)

MYA Clinics Ltd

**Annual report and financial statements
for the year ended 30 November 2021**

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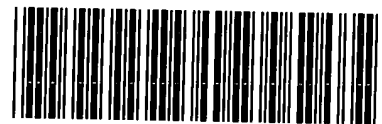


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MYA Clinics Ltd

Company information

| | | |
|----------------------------|----------------------------------------------------------------------------------------------------|----------------------------|
| Directors | Esta Rea | |
| | John Ryan | |
| | Chloe Beresford | (Appointed 19 August 2022) |
| Secretary | Darren Bellwood | |
| Company number | 10788058 | |
| Registered office | 1 Cardale Park Beckwith Head Road Harrogate North Yorkshire HG3 1RY | |
| Independent auditor | Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX | |

MYA Clinics Ltd

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The directors present the strategic report for the year ended 30 November 2021.

Fair review of the business

The directors are of the opinion that the trading performance for the year to 30 November 2021 represents a fair result for the business whilst continuing to make changes and operating within a business sector that continues to be faced with ongoing challenges as a result of COVID.

The business continues to be focused on delivering happiness through healthcare. We support the World Health Organisation's interpretation of good health and believe that cosmetic surgery is perfectly placed to live up to these objectives and to make a profound positive difference to the health and wellbeing of individuals. As mental health and general wellbeing is better understood so will be the important role that cosmetic surgery plays in society.

"Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition".

Year on year the business dynamic changed to create a £0.3m operating profit base to build upon.

| | November 2021 | November 2020 |
|-------------------------|---------------|---------------|
| Net Revenue | £12.6m | £10.1m |
| Administrative expenses | £5.1m | £6.8m |
| Operating profit | £0.3m profit | £2.4m Loss |

Any plans made going into 2021 continued to be affected by the COVID pandemic. This resulted in businesses having to cease certain operations as private healthcare continued to be materially affected. The 3rd lockdown in January 2021 significantly reduced our operational capability and desire of prospective patients to move forward in the moment impacting the overall result for the period. As social freedoms were re-introduced peoples' priorities and activities changed leading to a period of enjoying social activity that they were prevented from doing earlier in the year. This once again disrupted the patient pipeline.

Fortunately, during the financial period, the business continued with streamlining elements of the structure to further advance the flexible and dynamic core of the business. Although change is disruptive the plan will futureproof the business by making it more flexible and fit for purpose in a digital age. The level of changes made significantly moved the business model in a positive manner away from what has been seen as the norm within the private sector of healthcare for many years. Savings in relation to fixed admin costs made in the year were more than £1.5m, because of the continued streamlining. Whilst these changes have been made, working capital remains challenging, with some progress made in respect to the CVA. As at the 30th November 2021 no significant changes are noted in respect to the balance sheet when compared to the prior year.

This continuous dialogue was a result of the moments of uncertainty in consumer behaviour that had happened over the last few years and to help address the losses incurred as the business has been operating with a fixed and disproportionate cost base. The changes needed to be more far reaching than originally thought to allow even greater flexibility with patient numbers.

The changes made started to significantly rebase the cost structure, creating a more flexible business that can create healthy profits from a much lower operating position. The results for the period reflect the change in cost structure creating a strong platform for the future. This allowed the business to be in a profitable position in 2021. However, there are still challenges ahead given the need to continue to adapt to changing consumer behaviour and the transition to learning to live with COVID. Although, thankfully, the vaccinations look to offer significant protection to patients this does not mean the elimination of infection rates and the impact that this can have on delaying operations and procedures. A key area of focus will be the effective utilisation of time which can have a material impact on margin. Further work will be carried out to mitigate this risk especially with harder to predict volumes. This is all seen as relatively short-term challenge as we revert back to normality after an unprecedented period. The continued growing NHS waiting list is a good example of the impact of disrupted utilisation of time.

The business remains focused on being profitable as well as safe, effective, caring, responsive and well led. The business will continue to invest in technology, processes and people to ensure that high standards are maintained with one eye on future developments whilst also addressing any area of potential risk. It remains important to continue to invest in the clinical, compliance and operational arms of the business.

The business has undertaken a fundamental change in approach. Rather than focusing on continuing to grow turnover and keep adding clinics and hospitals to the portfolio the management focused on creating a more flexible and dynamic business with investment in technology and a reduction in more 'traditional' overheads. This change in approach required a review of the historic infrastructure and practices and time to implement significant operational and personnel changes to re-align them with the new strategy. This strategy creates a solid platform for further development with healthcare once the right blend of technology and people is found to offer a consistently good service at a sustainable cost base.

Strategic change will be reflected in

MYA Clinics Ltd

Strategic report (continued)

For the year ended 30 November 2021

Principal risks and uncertainties

The Directors of MYA Clinics Ltd consider that the Covid-19 virus continues to represent a significant key risk to the Company. Further waves of infections, from new variants, could affect the Company's ability to provide private healthcare activities if elective procedures are largely unable to continue. Even when operating the impact on utilisation of time is affected by any late cancellations.

In addition, an economic downturn leading to a change in employment levels and reduced disposable income could have an adverse effect on the Company's result as all individuals self-pay for their procedures.

Price risk

Price risk is driven by market competition. The Company's current pricing is set at a reasonable level in the market which the Directors are of an opinion carries limited risk other than when comparing how budget providers set expectations to some demographics.

Credit risk

Credit risk arises principally from receivables from customers. Exposure to credit risk is considered to be low owing to the nature of MYA's customers and the payment structure

Liquidity risk

The Company ensured that it had sufficient cash to meet its operational expenses. The parent company, MYA Group Limited, provides adequate funding from loans provided by Shareholders to the Group.

Overall risk management

The Directors are of an opinion that as a result of the changes made to the cost base of business that the Company is well placed to manage the principal risks and uncertainties should they arise.

Key performance indicators

The business has a series of actions to continue to focus on:

- a. Proportionate and flexible overheads.
- b. Improved asset utilisation.
- c. Improved volume.
- d. Improved communication and experience.
- e. Technology to be continuously developed and deployed to assist all of the above.

MYA Clinics Ltd

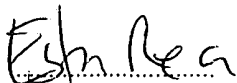
Strategic report (continued)

For the year ended 30 November 2021

Focusing on the above will help the business drive its key performance indicators which include:

- Level of enquiries
- Initial consultation booking rate from enquiry
- Surgeon booking and attendance rate
- Cancellation rate
- List utilisation time
- Margin per procedure
- Profitability

On behalf of the board



Esta Rea

Director

Date: 30th August 2022.

MYA Clinics Ltd

Directors' report

For the year ended 30 November 2021

The directors present their annual report and financial statements for the year ended 30 November 2021.

Principal activities

The principal activity of the company is that of cosmetic surgery services and related procedures.

Results and dividends

The results for the year are set out on page 13.

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

Directors

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

Esta Rea

John Ryan

Chloe Beresford

(Appointed 19 August 2022)

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.

Directors' report (continued)

For the year ended 30 November 2021

Future developments

As part of the strategy of the business clinical excellence is seen as a key goal. Following an audit in June 2022 by the CQC (Care Quality Commission) the whole business received a rating of "Outstanding", the highest level which can be awarded by the CQC. The Directors recognise that this is an outstanding achievement by the business setting a benchmark in Cosmetic Surgery.

The business will continue to improve in all core areas with key projects focusing on the following areas:

- To create a brand with a distinct and positive identity.
- To build flexible operating capacity.
- To create a flexible model allowing services to be carried out centrally and locally to match patient need and preference with changing situations.
- To continue to ensure that patients are carefully assessed medically and to further engage with medical professionals to ensure that patients are assessed holistically for their long term good.
- To further develop the medical team of surgeons and other healthcare professionals who specialise in cosmetic surgery and harness their passion to create the number one cosmetic surgery service in the UK.
- Focus on objective measures of patient satisfaction and clinical outcomes to ensure that a consistently high standard is maintained.
- To build a community of patients and to support their healthcare needs.
- To modernise and make consistently good the patient experience through the continued implementation of technology.
- To ensure that a long-term sustainable model is created with an appropriate price point to reflect a quality service.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

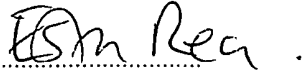
Statement of disclosure to auditor

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.

MYA Clinics Ltd

Directors' report (continued)
For the year ended 30 November 2021

On behalf of the board



Esta Rea
Director

Date: 30th August 2022.

MYA Clinics Ltd

**Directors' responsibilities statement
For the year ended 30 November 2021**

The directors are responsible for preparing the annual 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 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;
- 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 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.

MYA Clinics Ltd

Independent auditor's report

To the members of MYA Clinics Ltd

Opinion

We have audited the financial statements of MYA Clinics Ltd (the 'company') for the year ended 30 November 2021 which comprise the income statement, 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 November 2021 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.

Material uncertainty related to going concern

As disclosed in note 1.2 to these financial statements, the company is currently part of a Corporate Voluntary Arrangement and is dependent upon the support of its parent entity and ultimate shareholders for ongoing support, as well as the company's creditors and the supervisor of the Corporate Voluntary Arrangement. As stated in note 1.2, these events or conditions, along with other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Independent auditor's report (continued)
To the members of MYA Clinics Ltd

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 the 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.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report (continued)
To the members of MYA Clinics Ltd

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation. In addition, the company is subject to other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to their ability to operate or to avoid a material penalty. These include compliance with the Care Quality Commission.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave any possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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Independent auditor's report (continued)
To the members of MYA Clinics Ltd

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.



Martin Holden (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Date: **31 August 2022**

Chartered Accountants
Statutory Auditors

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

MYA Clinics Ltd

Income statement

For the year ended 30 November 2021

| | | 2021 | 2020 |
|---------------------------------------------|----------|------------------|--------------------|
| | Notes | £ | £ |
| Turnover | 3 | 12,557,766 | 10,123,754 |
| Cost of sales | | (7,114,702) | (5,803,546) |
| Gross profit | | 5,443,064 | 4,320,208 |
| Administrative expenses | | (5,128,997) | (6,800,015) |
| Other operating income | | 36,209 | 464,901 |
| Restructuring costs | 4 | (31,140) | (508,787) |
| Exceptional item | 4 | - | 161,000 |
| Operating profit/(loss) | 5 | 319,136 | (2,362,693) |
| Interest payable and similar expenses | 8 | (69,067) | (32,032) |
| Profit/(loss) before taxation | | 250,069 | (2,394,725) |
| Tax on profit/(loss) | 9 | - | - |
| Profit/(loss) for the financial year | | 250,069 | (2,394,725) |

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

MYA Clinics Ltd

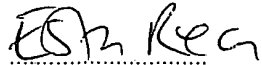
Statement of financial position
As at 30 November 2021

| | | 2021 | | 2020 |
|----------------------------------------------------------------|-------|---------------------------|---------------------------|-------------|
| | | | | as restated |
| | Notes | £ | £ | £ |
| Fixed assets | | | | |
| Tangible assets | 10 | | 236,325 | 270,822 |
| Current assets | | | | |
| Stocks | 12 | 22,795 | | 67,714 |
| Debtors | 13 | 901,359 | | 875,982 |
| Cash at bank and in hand | | 307,218 | | 425,534 |
| | | <u>1,231,372</u> | <u>1,369,230</u> | |
| Creditors: amounts falling due within one year | 14 | <u>(9,706,841)</u> | <u>(10,113,293)</u> | |
| Net current liabilities | | <u>(8,475,469)</u> | <u>(8,744,063)</u> | |
| Total assets less current liabilities | | <u>(8,239,144)</u> | <u>(8,473,241)</u> | |
| Creditors: amounts falling due after more than one year | 15 | <u>(34,028)</u> | <u>(50,000)</u> | |
| Net liabilities | | <u><u>(8,273,172)</u></u> | <u><u>(8,523,241)</u></u> | |
| Capital and reserves | | | | |
| Called up share capital | | 1 | | 1 |
| Profit and loss reserves | | (8,273,173) | | (8,523,242) |
| Total equity | | <u><u>(8,273,172)</u></u> | <u><u>(8,523,241)</u></u> | |

MYA Clinics Ltd

Statement of financial position (continued)
As at 30 November 2021

The financial statements were approved by the board of directors and authorised for issue on 30.8.2022 and are signed on its behalf by:



Esta Rea
Director

Company Registration No. 10788058

MYA Clinics Ltd

**Statement of changes in equity
For the year ended 30 November 2021**

| | Share capital | Profit and loss reserves | Total |
|----------------------------------------------------|------------------|--------------------------------|-------------|
| | £ | £ | £ |
| Balance at 1 December 2019 | 1 | (6,128,517) | (6,128,516) |
| Year ended 30 November 2020: | | | |
| Loss and total comprehensive income for the year | - | (2,394,725) | (2,394,725) |
| Balance at 30 November 2020 | 1 | (8,523,242) | (8,523,241) |
| Year ended 30 November 2021: | | | |
| Profit and total comprehensive income for the year | - | 250,069 | 250,069 |
| Balance at 30 November 2021 | 1 | (8,273,173) | (8,273,172) |

MYA Clinics Ltd

Notes to the financial statements For the year ended 30 November 2021

1 Accounting policies

Company information

MYA Clinics Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 1 Cardale Park, Beckwith Head Road, Harrogate, North Yorkshire, HG3 1RY.

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 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.

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; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of MYA Group Limited. These consolidated financial statements are available from its registered office, 1 Cardale Park, Beckwith Head Road, Harrogate, United Kingdom, HG3 1RY.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

MYA Clinics Ltd is a wholly owned subsidiary of MYA Group Limited and the results of MYA Clinics Ltd are included in the consolidated financial statements of MYA Group Limited which are available from the registered office.

Notes to the financial statements (continued)
For the year ended 30 November 2021

1 Accounting policies (continued)

1.2 Going concern

These financial statements are prepared on the going concern basis, notwithstanding the net liabilities of £8,273,172. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern as set out below.

The company's profitability and ability to generate cash are dependent upon the number of procedures taking place and the level of forward bookings and resultant deposits. The company has been impacted by the Coronavirus pandemic and the ongoing operational impact of this continues to present an uncertainty in relation to cash generation.

The company entered into a Corporate Voluntary Arrangement (CVA) in January 2020, and as a result of this has negotiated a schedule of payments covering a number of period end balances. The scheduled debt repayments have been included within the company's cash flow forecasts and the going concern assumption continues to be dependent upon the ability to meet these requirements as well as the ongoing support from the Supervisor of the CVA and the company's creditors.

For the material creditors that are outside of the CVA, management have agreed formal repayment plans with those creditors and these repayments are included within the company's cash flow forecasts. The one notable exception to this is the pension scheme creditor and there are ongoing discussions with The Pensions Regulator and the scheme administrator to establish a formal repayment plan; however, the timing of that implementation represents an uncertainty in the company's forecasts.

The company is financed by way of a loan from MYA Group Limited, which is included within creditors due within one year. MYA Group Limited is financed by way of loans from its shareholders, and confirmation of this ongoing shareholder support to the overall group has been obtained. The company's balance sheet also reflects a significant level of payments in advance from customers in relation to future procedures.

The above conditions indicate the existence of material uncertainties in relation to going concern and the financial statements do not reflect any adjustments arising as a result of the above uncertainties.

1.3 Turnover

Revenue 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.

procedure: The company provides cosmetic surgery procedures and turnover is recognised at the point the procedure is complete.

1.4 Tangible fixed assets

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

Notes to the financial statements (continued)
For the year ended 30 November 2021

1 Accounting policies (continued)

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

| | |
|-----------------------------------|-------------------------------|
| Medical equipment | 25% straight line |
| Fixtures and fittings and website | 14% / 20% / 25% straight line |
| Office equipment | 25% straight line |
| Motor vehicles | 20% 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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.6 Stocks

Stocks are stated at the lower of cost or estimated selling price less costs to sell, which is equivalent to net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Notes to the financial statements (continued)
For the year ended 30 November 2021

1 Accounting policies (continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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 trade and other debtors, 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.

Notes to the financial statements (continued)
For the year ended 30 November 2021

1 Accounting policies (continued)

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.

Basic financial liabilities

Basic financial liabilities, including trade creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments 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.

Derecognition of financial liabilities

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

1.9 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.

1.10 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 Accounting policies (continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.13 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.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

Notes to the financial statements (continued)
For the year ended 30 November 2021

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company'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. The directors do not believe there to be any critical accounting judgments or key sources of estimation uncertainty.

3 Turnover and other revenue

| | 2021 £ | 2020 £ |
|-----------------------------------------------|------------|------------|
| Turnover analysed by class of business | | |
| Cosmetic surgery services | 12,557,766 | 10,123,754 |

| | 2021 £ | 2020 £ |
|----------------------|-----------|-----------|
| Other revenue | | |
| Grants received | 32,808 | 462,401 |

4 Exceptional items

| | 2021 £ | 2020 £ |
|---------------------|-----------|-----------|
| Expenditure | | |
| Restructuring costs | 31,140 | 508,787 |
| Credit of CVA | - | (161,000) |
| | 31,140 | 347,787 |

MYA Clinics Ltd

Notes to the financial statements (continued)
For the year ended 30 November 2021

5 Operating profit/(loss)

| | 2021 | 2020 |
|-------------------------------------------------------------------------------------------|----------------|----------------|
| | £ | £ |
| Operating profit/(loss) for the year is stated after charging/(crediting): | | |
| Government grants | (32,808) | (462,401) |
| Fees payable to the company's auditor for the audit of the company's financial statements | 32,000 | 30,000 |
| Depreciation of owned tangible fixed assets | 139,630 | 157,809 |
| Operating lease charges | 377,636 | 668,376 |
| | <u>377,636</u> | <u>668,376</u> |

6 Employees

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

| | 2021 | 2020 |
|-----------|------------|------------|
| | Number | Number |
| Directors | 7 | 7 |
| Nurses | 21 | 30 |
| Admin | 94 | 105 |
| Total | <u>122</u> | <u>142</u> |

Their aggregate remuneration comprised:

| | 2021 | 2020 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 3,005,629 | 3,592,996 |
| Social security costs | 263,843 | 323,177 |
| Pension costs | 62,190 | 137,774 |
| | <u>3,331,662</u> | <u>4,053,947</u> |

7 Directors' remuneration

| | 2021 | 2020 |
|--------------------------------------|--------------|--------------|
| | £ | £ |
| Remuneration for qualifying services | <u>6,000</u> | <u>6,000</u> |

MYA Clinics Ltd

Notes to the financial statements (continued)
For the year ended 30 November 2021

8 Interest payable and similar expenses

| | 2021 | 2020 |
|---------------------------------------|--------|--------|
| | £ | £ |
| Interest on bank overdrafts and loans | 69,067 | 32,032 |

9 Taxation

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

| | 2021 | 2020 |
|---------------------------------------------------------------------------------------------------------------|----------|-------------|
| | £ | £ |
| Profit/(loss) before taxation | 250,069 | (2,394,725) |
| Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 47,513 | (454,998) |
| Tax effect of utilisation of tax losses not previously recognised | (47,513) | - |
| Unutilised tax losses carried forward | - | 454,998 |
| Taxation charge for the year | - | - |

At 30 November 2021, the Company had tax losses available for carry forward of approximately £13.6 million (30 November 2020: £13.8 million). The Company has not recognized deferred tax assets relating to such earned forward losses of approximately £3.4 million (30 November 2020: £2.6 million).

The directors consider that there is insufficient evidence of future taxable income, taxable temporary differences and feasible tax-planning strategies to utilize all of the cumulative losses and therefore it is not considered certain that the deferred tax assets will be realized in full. If future income differs from current projections, this could significantly impact the tax charge or benefit in future years.

MYA Clinics Ltd

Notes to the financial statements (continued)
For the year ended 30 November 2021

10 Tangible fixed assets

| | Medical equipment | Fixtures and fittings and website | Office equipment | Motor vehicles | Total |
|----------------------------------|-------------------|-----------------------------------|------------------|----------------|-----------|
| | £ | £ | £ | £ | £ |
| At 1 December 2020 | 178,009 | 395,952 | 1,173,179 | 39,650 | 1,786,790 |
| Additions | - | 30,411 | 74,722 | - | 105,133 |
| At 30 November 2021 | 178,009 | 426,363 | 1,247,901 | 39,650 | 1,891,923 |
| At 1 December 2020 | 151,953 | 332,046 | 1,003,952 | 28,017 | 1,515,968 |
| Depreciation charged in the year | 10,356 | 25,837 | 98,029 | 5,408 | 139,630 |
| At 30 November 2021 | 162,309 | 357,883 | 1,101,981 | 33,425 | 1,655,598 |
| Carrying amount | | | | | |
| At 30 November 2021 | 15,700 | 68,480 | 145,920 | 6,225 | 236,325 |
| At 30 November 2020 | 26,056 | 63,906 | 169,227 | 11,633 | 270,822 |

11 Subsidiaries

Details of the company's subsidiaries at 30 November 2021 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|-------------------------|--------------------------------------------------------------------------------------------------|---------------------------|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Fitzroy Surgery Limited | Suite 3, 1 Cardale Park, Beckwith Head Road, Harrogate, North Yorkshire, United Kingdom, HG3 1RY | Cosmetic Surgery Services | Ordinary | 100 | - |

Fitzroy Surgery Limited was dormant in the years ended 30 November 2021 and 30 November 2020.

The investments in subsidiaries are all stated at cost.

group incorporated in the United Kingdom. The consolidated financial statements for the group incorporating these subsidiaries have not been prepared on the grounds that the subsidiary is consolidated within the ultimate parent company MYA Group Limited.

MYA Clinics Ltd

Notes to the financial statements (continued)
For the year ended 30 November 2021

12 Stocks

| | 2021 | 2020 |
|-------------------------------|--------|--------|
| | £ | £ |
| Raw materials and consumables | 22,795 | 67,714 |

13 Debtors

| | 2021 | 2020 as restated |
|--------------------------------------|---------|---------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 101,047 | 469,319 |
| Other debtors | 512,055 | 196,321 |
| Prepayments and accrued income | 288,257 | 210,342 |
| | 901,359 | 875,982 |

14 Creditors: amounts falling due within one year

| | Notes | 2021 | 2020 as restated |
|------------------------------------|-------|-----------|---------------------|
| | | £ | £ |
| Bank loans | 16 | 10,648 | - |
| Obligations under finance leases | 17 | - | 1,074 |
| Trade creditors | | 1,307,891 | 1,976,325 |
| Amounts owed to group undertakings | | 2,074,136 | 1,778,511 |
| Taxation and social security | | 2,034,613 | 1,783,867 |
| Other creditors | | 80,453 | 86,601 |
| Accruals and deferred income | | 4,199,100 | 4,486,915 |
| | | 9,706,841 | 10,113,293 |

15 Creditors: amounts falling due after more than one year

| | Notes | 2021 | 2020 |
|---------------------------|-------|--------|--------|
| | | £ | £ |
| Bank loans and overdrafts | 16 | 34,028 | 50,000 |

MYA Clinics Ltd

Notes to the financial statements (continued)
For the year ended 30 November 2021

16 Loans and overdrafts

| | 2021 | 2020 |
|-------------------------|-------------------|-------------------|
| | £ | £ |
| Bank loans | 44,676 | 50,000 |
| | <u> </u> | <u> </u> |
| Payable within one year | 10,648 | - |
| Payable after one year | 34,028 | 50,000 |
| | <u> </u> | <u> </u> |

The long-term loans are secured by a debenture charge over all assets of the company.

17 Finance lease obligations

| | 2021 | 2020 |
|---------------------------------------------------------|-------------------|-------------------|
| | £ | £ |
| Future minimum lease payments due under finance leases: | | |
| Within one year | - | 1,074 |
| | <u> </u> | <u> </u> |

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Retirement benefit schemes

| | 2021 | 2020 |
|---------------------------------------------------------------------|-------------------|-------------------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 62,190 | 137,774 |
| | <u> </u> | <u> </u> |

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

19 Financial commitments, guarantees and contingent liabilities

The directors are aware that HMRC maintain that VAT is due on certain sales that are considered purely cosmetic. They are not aware of the circumstances, the nature of these sales, or the procedures to which these may relate. The directors believe that all sales made by MYA Clinics Limited (formerly MYA Cosmetic Surgery Limited) are in respect of procedures to treat medical disorders or to protect, maintain or restore health, and therefore all of their sales are exempt from VAT. The company continues to support HMRC with their enquiries which are themselves non conclusive and cannot be quantified.

MYA Clinics Ltd

Notes to the financial statements (continued) For the year ended 30 November 2021

20 Operating lease commitments

Lessee

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

| | 2021 £ | 2020 £ |
|----------------------------|----------------|------------------|
| Within one year | 154,767 | 336,692 |
| Between two and five years | 559,400 | 975,385 |
| In over five years | 170,267 | 354,329 |
| | <u>884,434</u> | <u>1,666,406</u> |

21 Related party transactions

Transactions with related parties

Included in the financial statements are the following material transactions and balances with related parties which require to be disclosed in accordance with the provisions of FRS102.

During the period, the company purchased services from Cardale Park Properties Limited amounting to £82,808 (2020: £173,481). At the balance sheet date £nil (2020: £9,525) was payable to Cardale Park Properties Limited. These amounts were incurred in the normal course of business and at arm's length.

E Rea owns 100% of the share capital in 121 Finance Limited. All loan transactions were carried out at an arm's length basis. At the balance sheet date 121 Finance Limited owed MYA Clinics Limited £476,260 (2020: £143,501).

The company owns 100% of the share capital in Fitzroy Surgery Limited. All transactions were carried out at an arm's length basis. At the balance sheet date Fitzroy Surgery Limited owed MYA Clinics Limited £227,040 (2020: £227,040). This balance has been fully provided against (2020: same) on the basis that the directors do not believe it to be recoverable.

E Rea is a director of MYA Lingerie Ltd. All transactions have been carried out at an arm's length basis. At the balance sheet date MYA Clinics Ltd owed MYA Lingerie Ltd £15,813 (2020: £16,630).

22 Ultimate controlling party and ultimate parent company

The company is a wholly owned subsidiary of MYA Group Limited. The smallest and largest group for which consolidated financial statements are prepared is MYA Group Limited. The consolidated financial statements are available from its registered office, 1 Cardale Park, Beckwith Head Road, Harrogate, HG3 1RY.

There is no ultimate controlling party.

Notes to the financial statements (continued)
For the year ended 30 November 2021

23 Prior period adjustment

During the year, management identified a prior period error whereby unallocated customer receipts were incorrectly presented as deferred income. Following a detailed review by management, this has now been appropriately reflected and matched against the correct customer account. As shown below, this has not had an impact on profit or equity in either period presented.

Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

Reconciliation of changes in loss for the previous financial period

| | 2020 £ |
|-----------------------------|-------------|
| Total adjustments | - |
| Loss as previously reported | (2,394,725) |
| Loss as adjusted | (2,394,725) |

Changes to the statement of financial position

| | As previously reported £ | Adjustment £ | As restated at 30 Nov 2020 £ |
|--------------------------------------|--------------------------------|-----------------|------------------------------------|
| Current assets | | | |
| Trade debtors | 1,417,067 | (541,085) | 875,982 |
| Creditors due within one year | | | |
| Accruals and deferred income | (8,869,437) | 541,085 | (8,328,352) |
| Net assets | (8,523,241) | - | (8,523,241) |
| Capital and reserves | | | |
| Total equity | (8,523,241) | - | (8,523,241) |