

Charity number: 1104744
Company number: 05159638

I.O.O. LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2020

I.O.O. LIMITED

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I.O.O. LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION *FOR THE YEAR ENDED 31 DECEMBER 2020*

Directors/trustees	Mr A Gasson Miss J A Morris Dr M Wolffe Mr D P Ehrlich
Company registered number	05159638
Charity registered number	1104744
Registered office	56-62 Newington Causeway London SE1 6DS
Independent auditors	Lindeyer Francis Ferguson Limited Chartered Accountants Statutory Auditors North House 198 High Street Tonbridge Kent TN9 1BE
Bankers	Lloyds Bank plc 243-245 Elephant and Castle Shopping Centre London SE1 6TE
Solicitors	Bates Wells Braithwaite 2-6 Cannon Street London EC4M 6YH

I.O.O. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors, who are also the Trustees for the purposes of charity law, present their annual report together with the financial statements of I.O.O. Limited for the year ended 31 December 2020. The Directors confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the governing document and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (Charities SORP (FRS 102)). The information on page 1 forms part of this report.

Structure, governance and management

I.O.O. Limited

I.O.O. Limited was incorporated on 22 June 2004 in order to convert the Institute of Optometry, an unincorporated Charity (registered number 207965) into a company limited by guarantee.

The general trust funds of the Institute of Optometry were transferred to I.O.O. Limited on 12 July 2004. The freehold property, and restricted funds of the Institute of Optometry have been transferred with the agreement of the Charity Commission.

Governing document

The company is governed by its Memorandum and Articles of Association and registered as a Charity under number 1104744. The company has also been registered with the General Optical Council as a Body Corporate carrying on business as Ophthalmic Opticians registered number CO-2549, and as an Institution for the Training of Optometrists.

Directors

I.O.O. Limited has a board of up to seven non-executive Directors who meet on a quarterly basis. Directors' responsibilities are set out in the Memorandum and Articles of Association of IOO Limited.

In brief, the Directors

- are charity trustees and have control of the Charity and its property and funds
- appoint (and remove) any member to act as Secretary to the Charity in accordance with the Act
- delegate any of their functions to committees consisting of two or more individuals appointed by them (with at least one member being a director) and reporting to the board

Recruitment and appointment of Directors

- One third of the Directors must retire at each AGM, those longest in office retiring first and the choice between any of equal service being made by drawing lots. Retiring Directors shall be eligible for re-election.
- A person duly qualified may at any time be co-opted as a Director to fill a vacancy or as an additional director, but a co-opted Director holds office only until the next AGM
- People duly qualified may be personally canvassed for the role as a Director
- A person duly qualified may be proposed by existing Directors

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors are mindful of the need in the future to recruit more trustees to ensure that the board has the full range of skills that are required.

Training of Directors

When new Directors join the Board a meeting with current Board Members is arranged at which the roles and responsibilities of a Director are fully explained. The current structure, strategies and financial position are described in detail along with current documentation relating to the Institute, including the latest Board minutes and accounts. New Directors are encouraged to ask any questions they might have, and full answers are given, along with full explanations of procedures and matters which might be unfamiliar to a new Director to fully prepare them to take over the Directors duties. Directors are encouraged to keep up-to-date with publications and training courses provided by the Charity Commission. Should any matters arise where specialist advice is required, they are encouraged to seek this advice through the relevant bodies, i.e. the charity commission, legal services etc.

Management

The day-to-day management of the I.O.O. Limited is conducted by a Management Team comprising of the heads of the various activities the I.O.O. Limited undertakes. Areas of responsibility include the managing of finance, staffing, activities relating to charitable objectives, health & safety, insurance and compliance with various charity and company reporting.

IOO (Sales) Ltd

IOO (Sales) Ltd is a wholly owned subsidiary of I.O.O. Limited. The principal activity of the company is that of marketing optometric goods and providing associated services.

IOO (Sales) Ltd contributes funds to I.O.O. Limited via Gift Aid.

Objectives and activities

The Objects of the company as set out in the Memorandum and Articles of Association are:

- The relief of persons suffering or suspected to be suffering from eye disorders or defect of vision on terms appropriate to their means by the provision and maintenance of facilities for the examination and refractive and other treatment of the eye.
- The advancement of education in the optometric sciences by means of the reception and training of students.
- The improvement of human vision and the promotion of the study of optometric sciences by the conduct and assistance of research and the dissemination of the useful results thereof.

Activities in furtherance of those objects include:

- Clinics
 - Primary Eye Care
 - Specific Learning Difficulties
 - Dyslexia

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

- Contact lenses
 - Corporate Eye care
- Courses and Education
 - Optometrists
 - Education professionals
 - Other professionals involved in the optical industry
- Research
 - PhD
 - Doctorate of Optometry
 - Masters
 - Bachelors
 - Occasional research studies funded by practitioners or companies

The trustees continue to review the future services which the charity will be providing.

Public benefit

In setting objectives and planning for activities, the Directors have given due consideration to general guidance published by the Charity Commission relating to public benefit.

IOO Limited's activities are considered by the Directors to meet the public benefit requirement. The charity provides specialist eye care services, develops and delivers educational materials for the field and undertakes research with the aim of understanding and overcoming visual impairment. Services are open to all with State funded examinations for NHS patients, and there is a particular emphasis on providing eye examinations for people with learning difficulties. The clinicians at the IOO pride themselves on being prepared to spend more time, effort and skills when investigating patients' symptoms, or providing advice on the optimal methods of alleviating these symptoms.

The charity's strategies for achieving its principle aims and objectives

- Clinics
 - The Institute of Optometry is a 'Centre of Excellence' where the clinics of various specialities are staffed by professionals with the capabilities to deal with unusual and difficult cases related to eye disorders and defects of vision.
 - The Institute of Optometry is a Centre of Referral for the optical profession and associated disciplines.
- Courses and Education
 - The clinics are open to Optometrists, Pre-Registered Optometrists and Dispensing Opticians to observe and learn about the specialities that are undertaken at the Institute.
 - Multidisciplinary bespoke courses are held on the premises for pre-registered and postgraduate Optometrists with also education for those in related disciplines.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

- Research
 - The Research Department collaborates with a local university in running a doctorate programme for optometrists.
 - The research team are involved in supervising BSc and MSc projects for optometry students, and in providing research support to qualified optometrists carrying out research in optometric practice.
 - The research team pro-actively design and seek and obtain funding for new research that will be of benefit to the optometric profession. Research at the Institute is overseen by the Institute Research Ethics Committee and is published in a variety of journals and presented at national and international conferences.

Principle Funding Sources

- The income generated from the relief of ocular conditions funded the upkeep of necessary facilities.
- The income generated by the clinics supported the education of professionals with their continuing professional development and students by observation with their pre-registered role.
- The Institute attracted funding from the optical industry and optical charities for research studies that support that Institute's objectives relating to research.
- Funding has also been supported by bequests from the profession and patients.
- The hire of the facilities by the optical industry has been used for educational programmes.
- Funding has often been helped by industry donations of equipment and products.

Achievements and performance

Clinics

The Institute of Optometry is a recognised centre of excellence for vision care. It is open to everyone, regardless of their visual needs, and people from across the UK attend its London clinic. Although some are referred by their own optometrist, or through their GP or local hospital, most come through personal recommendation.

The COVID-19 Pandemic during 2020 had a significant impact on the amount of patients that could be seen during 2020. The Institute's clinics closed at the end of March 2020 following government and professional guidance during the 'Red Phase' of the pandemic. The Institute re-opened in September 2020 as the professional guidance for the pandemic moved into the 'amber' phase and routine eye examinations were allowed to restart. However patient demand was significantly reduced and the Institute clinics only opened for three days a week until the end of the year as the country began to enter the 2nd and third waves of the pandemic. Many patients were triaged or reviewed by telephone consultation during this period.

The clinical team in 2020 was a mix of full and part-time staff and consisted of the practice manager (who is also the Institute's business operations manager), 8 optometrists (2 voluntary), 3 dispensing opticians, 1 administrative assistant and 1 clinical typist.

The Primary Eye Care Specialist Clinic provides eye care for the routine patient, together with occupational colour investigations and corporate VDU contracts. There were on average 3 clinics a week, and about 1,020 patients were seen. Approximately 25% of these patients bought spectacles. If a patient suffering from diabetes or glaucoma needs a binocular or low vision assessment, has been referred by an external

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

optometrist, or is requesting a second opinion or glaucoma assessment, an appointment is booked in the Specialist Clinic.

Patients who have Specific Learning Difficulties, or who suffer from Migraines, Pattern Glare, Light sensitivity, Flickering Lights, Meares-Irlen Syndrome, Scotopic Sensitivity Syndrome, Dyslexia, Dyspraxia, and any other visual symptoms not related to spectacles were generally booked into the Specific Learning Difficulties and Visual Stress Clinic. There were up to 2 clinics a week in 2020 prior to lockdown in March and similarly during the last four months of the year and 59% of patients were issued with Precision Tinted Spectacles.

The Contact Lens Clinic was set up to provide routine and specialist care for those who wear contact lenses, but in particular for those who experience difficulties that cannot be addressed by the high street optometrist/optician, and particularly the more specialist areas of keratoconic, multifocal/bifocal, toric and ortho-k fitting. Routine Contact lens aftercare appointments did not resume until guidance allowed during the amber phase of the pandemic. There were up to 0.5 clinics a week and there were 250 individual sales of contact lenses, this was down by approximately 50% compared with the previous year. This is attributed to patients moving out of London during the pandemic and patients wearing contact lenses less during the lockdown period. Sales are expected to increase again as the country moves into the 'green phase' of the pandemic.

The practice has continued to move towards a "paperless" system for its patient records in 2020.

Research, Education and Training

The Research Department is led by the Director of Research (DoR), Professor Bruce Evans, who is employed 1.5 days a week.

Close collaborative links continue with major international optical companies, and a new project is in progress, but owing to the pandemic progress for projects that required attendance of patients was severely delayed.

Links continue to be fostered with other companies and with several university optometry departments.

Applications for research projects continue to be received throughout the year. Each of these applications are assessed and reviewed by the institute's Research Ethical Committee, which is comprised of experts from a number of different disciplines.

Financial review

The charity's results for the year are shown in the Statement of Financial activities. The deficit for the year was £126,100 compared to a deficit of £29,965 in 2019. The reserves at the balance sheet date were in deficit of £59,565 (2019: Reserves held of £66,535) of which £8,711 (2019: £8,711) are endowment funds. There were no free reserves at the balance sheet date (2019: £Nil).

The directors have considered the reserves policy and consider it prudent that the charity maintains reserves of between 2 and 6 months' turnover. In the past reserves of this magnitude have not been held by the charity, but the directors consider when the funds become available that the above policy should be pursued.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The major risk and uncertainty facing the charity continues to be in relation to cash flow. The charity is currently using a bank overdraft and is supported by loans from directors (see note 18). As set out in Note 1.1, the directors remain in discussion with Berkeley Homes regarding the sale of the property but will continue to operate with a negative cash flow until this sale is agreed. The bank has been supportive of the charity, but a formal overdraft agreement is only in place until early 2021. It is expected that this will be renewed on the basis of using the property as security. The directors are of the opinion that following some restructuring, the charity is viable.

Plans for the future

The Peabody Trust has sold the land adjacent to our site to Berkeley Homes. Negotiations with Berkeley Homes were opened, but progress has been slow and are currently stalled. The Trustees are therefore actively considering other options to secure the future such as joint ventures with regard to the development of the site and collaborative ventures through the NHS, such Medical Eye Condition Scheme and other similar partnerships.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Directors on 24 September 2021 and signed on their behalf by:

Mr A Gasson *Director*

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF I.O.O. LIMITED
CHARITABLE COMPANY ('THE COMPANY')
FOR THE YEAR ENDED 31 DECEMBER 2020

I report to the charity directors on my examination of the accounts of the company for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement - matter of concern identified

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In carrying out my examination it has been identified that there is material uncertainty in relation to the charity's going concern status, as set out in Note 1.1. The contents of the note state that the charity's cashflow forecasts to 31 December 2022 indicate that the charity will operate in excess of its agreed overdraft facility for a short period. At present the overdraft has been formally agreed until November 2021, but no formal agreement is in place beyond this date. As stated in note 1.1, these conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern.

I confirm that there are no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF I.O.O. LIMITED CHARITABLE COMPANY ('THE COMPANY') *FOR THE YEAR ENDED 31 DECEMBER 2020*

Amy Healey FCA CTA DChA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent TN9 1BE

Dated: 27 September 2021

I.O.O. LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Endowment funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	2	-	111,776	111,776	34,791
Charitable activities	3	-	186,303	186,303	481,078
Other trading activities					
Premises hire		-	755	755	841
Investments	4	-	4	4	75
Other	5	-	12,736	12,736	14,736
Total income		-	311,574	311,574	531,521
Expenditure on:					
Raising funds					
Premises hire		-	273	273	322
Charitable activities	6	-	437,401	437,401	561,164
Total expenditure		-	437,674	437,674	561,486
Net expenditure and net movement in funds		-	(126,100)	(126,100)	(29,965)
Reconciliation of funds:					
Total funds brought forward		8,711	57,824	66,535	96,500
Total funds carried forward	16	8,711	(68,276)	(59,565)	66,535

I.O.O. LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	11		377,610		375,687
Investments	12		9,323		9,249
			<u>386,933</u>		<u>384,936</u>
Current assets					
Stocks		8,389		14,095	
Debtors	13	15,292		41,285	
Cash at bank and in hand		9,921		330	
		<u>33,602</u>		<u>55,710</u>	
Liabilities					
Creditors: amounts falling due within one year	14	(435,100)		(374,111)	
Net current liabilities			<u>(401,498)</u>		<u>(318,401)</u>
Total assets less current liabilities			<u>(14,565)</u>		<u>66,535</u>
Creditors: amounts falling due in more than one year	15		(45,000)		-
Total net (liabilities)/assets			<u><u>(59,565)</u></u>		<u><u>66,535</u></u>
Charity funds					
Endowment funds			8,711		8,711
Unrestricted funds			(68,276)		57,824
Total funds	16		<u><u>(59,565)</u></u>		<u><u>66,535</u></u>

I.O.O. LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the board of trustees on 24 September 2021 and signed on its behalf by:

Mr A Gasson
Director

Company registration number: 05159638

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

I.O.O. Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in pounds sterling and rounded to the nearest pound.

Going concern

The charity reported a deficit of £126,101 for the year ended 31 December 2020. The charity is operating within its current overdraft facility and is being supported by interest-free private loans (as disclosed in Note 18). The Directors are also satisfied that the charity has the confidence and support of the bank in terms of meeting its current liabilities.

The Peabody Trust sold the land to Berkeley Homes who are interested in purchasing the charity's site as part of their plans to develop the Borough Triangle. Negotiations are continuing.

The Directors are developing a 4 year business plan which will ensure that the charity's core activities are enhanced alongside new activities that will produce a secure financial future. The business plan cash flow forecasts indicate that the charity will operate in excess of its agreed overdraft facility for a short period but the directors are confident that the charity's bank will be provided with the security required to cover further borrowing for this period. An application to the Charity Commission is in hand in this respect.

The Directors are confident that their continued actions will secure the future of the charity and that on this basis the charity is a going concern. However they acknowledge that at the balance sheet date a material uncertainty exists over the charity's going concern status.

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.1 Basis of preparation (continued)

Group accounts

The company has taken advantage of the exemptions under section 400 of the Companies Act 2006 and section 139 of the Charities Act 2011 not to prepare consolidated accounts. The financial statements present information about the charitable company as an individual entity and not about its group.

1.2 Company status

I.O.O. Limited is a charitable company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is 56-62 Newington Causeway, London, SE1 6DS.

1.3 Income

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions which must be met before the charity is entitled to the funds. Donated services and facilities are recognised at the date they are utilised and are measured at their fair value.

Income from charitable activities is recognised to the extent that the charity has provided the contracted services, and the sales of spectacles and contact lenses are recognised at the point of collection by the patient. Income received in advance of the provision of services is deferred on a time basis until such time as the services have been performed.

Other income is recognised when receivable on the basis of when the services are provided or the events take place.

1.4 Expenditure

Expenditure is recognised when a present legal or constructive obligation exists as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be measured or estimated reliably.

Expenditure is stated gross of irrecoverable VAT and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds includes the costs associated with the provision of services undertaken solely for this purpose.

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.4 Expenditure (continued)

Expenditure on charitable activities includes expenditure on the charity's three main activities: clinics and dispensing, education and training, and research. All costs are allocated between expenditure activities on a basis designed to reflect the use of the resource. Direct costs, including staff costs, which relate to a particular activity are allocated to that activity. Support costs, including staff costs and governance costs, have been allocated to the activities undertaken by the charity on the basis of direct expenditure on those activities.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated realisable value, over their expected useful lives, as follows:

Freehold property	Not provided
Property improvements	10% straight line
Fixtures, fittings & equipment	10% straight line and 25% on the reducing balance
Computer equipment	20% straight line

The depreciable amount of the freehold property (that is cost less estimated residual value at the end of its estimated useful life) is considered to be immaterial and so depreciation has not been provided.

1.6 Investments

Fixed asset investments includes cash investments which are stated at fair value at the balance sheet date. Investments in subsidiary undertakings are stated at cost less provision for impairment.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stocks.

1.8 Financial instruments

The charity only has financial instruments which are classified as basic financial instruments.

Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in profit and loss. Long term loans are recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

1.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.9 Fund accounting (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the provider of the grant or donation.

Endowment funds represent funds which must be held permanently and provide a return for the charity. Income received on the endowment investment is taken to unrestricted funds.

1.10 Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.11 Taxation

The charity is exempt from Corporation Tax on its charitable activities.

1.12 Pensions

I.O.O. Limited operates defined contribution schemes for the benefit of its employees. The assets of the scheme are held separately from those of I.O.O. Limited in an independently administered fund. The pension cost in the financial statements represents the contributions payable by the charity during the year. Pension costs are allocated between activities on the basis as described in Note 1.4.

1.13 Significant judgements and estimates

The key sources of estimation uncertainty at the balance sheet date relate to the assessment of the useful life and the residual value of the charity's freehold property, which is included in the financial statements at its cost of £375,000 including land. The trustees consider that the charity will make use of the property for up to 50 years, and that, because they intend to maintain the property to at least its current condition, the value of the property in today's prices if it were at the end of its useful life is not less than its cost. An impairment review is conducted annually and at the balance sheet date no provision for impairment is required.

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 Income from donations and legacies

	2020 £	2019 £
Donation from subsidiary	1,289	17,139
Collection boxes - opticians	1,652	1,507
Legacies and other donations	920	12,195
Grants	107,915	-
Donated services	-	3,950
	<u>111,776</u>	<u>34,791</u>

Donated services relates to time provided freely by a research assistant during the year.

3 Income from charitable activities

	2020 £	2019 £
Clinics and dispensing	180,857	438,837
Research	5,446	42,241
	<u>186,303</u>	<u>481,078</u>

4 Income from investments

	2020 £	2019 £
Bank interest	4	75

5 Other income

	2020 £	2019 £
Rent and management recharges to subsidiary	<u>12,736</u>	<u>14,736</u>

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6 Expenditure on charitable activities

	<i>Direct costs</i>	<i>Support</i>	<i>Total</i>	<i>Total</i>
	<i>2020</i>	<i>costs</i>	<i>2020</i>	<i>2019</i>
	<i>£</i>	<i>2020</i>	<i>£</i>	<i>£</i>
Clinics and dispensing	287,528	129,134	416,662	503,206
Education and training	260	117	377	996
Research	14,051	6,311	20,362	56,962
	<u>301,839</u>	<u>135,562</u>	<u>437,401</u>	<u>561,164</u>
	<i>Note 7</i>	<i>Note 8</i>		

7 Direct costs

	<i>Total</i>	<i>Total</i>
	<i>2020</i>	<i>2019</i>
	<i>£</i>	<i>£</i>
Wages and salaries	234,017	277,943
National insurance	14,245	18,750
Pension contributions	5,507	6,488
Supply of spectacles	34,278	77,866
Supply of contact lenses & solutions	13,199	27,810
Special learning difficulties	234	3,091
Cost of courses	260	732
Bad debts	-	(416)
Other direct expenses	99	341
	<u>301,839</u>	<u>412,605</u>

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	<i>Total 2020 £</i>	<i>Total 2019 £</i>
Wages and salaries	21,246	22,335
National insurance	580	669
Pension contributions	169	125
Premises repairs and maintenance	7,681	5,996
Equipment repairs and maintenance	1,742	1,742
Computer maintenance	12,594	12,001
Insurance	15,084	14,962
Miscellaneous expenses	216	133
Rates	19,206	19,079
Light and heat	8,655	10,336
Telephone	5,780	6,148
Printing, post and stationery	7,149	12,891
Leasing of equipment	3,693	3,696
Cleaning and laundry	5,167	4,430
Bank charges and interest	14,715	16,217
Legal and professional fees	6,899	12,238
Depreciation	816	731
Governance costs:		
Independent examiners' remuneration	3,510	4,170
Independent examiners' fees for accounts preparation	660	660
	<u>135,562</u>	<u>148,559</u>

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9 Staff costs

	2020 £	2019 £
Wages and salaries	255,263	300,278
Social security costs	14,825	19,419
Pension contributions	5,676	6,613
	<u>275,764</u>	<u>326,310</u>
	2020 No.	2019 No.
Average number of employees	<u>15</u>	<u>18</u>

No employees (2019: none) received remuneration in excess of £60,000.

10 Net expenditure

	2020 £	2019 £
This is stated after charging:		
Depreciation of tangible fixed assets	816	731
Operating lease rentals	3,693	3,696
Auditors' remuneration	3,510	4,170
Auditors' remuneration - non-audit services	<u>660</u>	<u>660</u>

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

	<i>Freehold property £</i>	<i>Property improve- ments £</i>	<i>Fixtures, fittings & equipment £</i>	<i>Total £</i>
Cost				
At 1 January 2020	375,000	216,994	110,694	702,688
Additions	-	-	2,739	2,739
At 31 December 2020	375,000	216,994	113,433	705,427
Depreciation				
At 1 January 2020	-	216,994	110,007	327,001
Charge for the year	-	-	816	816
At 31 December 2020	-	216,994	110,823	327,817
Net book value				
At 31 December 2020	375,000	-	2,610	377,610
At 31 December 2019	375,000	-	687	375,687

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12 Fixed asset investments

	<i>Shares in subsidiary</i>	<i>Cash investments</i>	<i>Total</i>
	£	£	£
Cost			
At 1 January 2020	2	9,247	9,249
Additions	-	74	74
At 31 December 2020	2	9,321	9,323

The shares in subsidiary relate to I.O.O. Sales Limited which is a wholly owned subsidiary undertaking of I.O.O. Limited, with an issued share capital of two ordinary shares of £1 each. I.O.O. Sales Limited is registered in England, and has the same registered office address as I.O.O. Limited. Its trading activity is to market optometric goods and services. Summary trading results for I.O.O. Sales Limited are shown below.

	<i>2020</i>	<i>2019</i>
	£	£
<i>I.O.O. Sales Limited</i>		
Turnover	40,333	71,797
Cost of sales	(8,278)	(11,945)
Distribution and administration costs	(35,313)	(42,629)
Interest receivable or payable	1	(136)
Other operating income	4,546	-
Gift Aid to I.O.O. Limited	(1,289)	(17,087)
Profit for the financial year ended 31 December	-	-
Capital and reserves at 31 December	2	2

13 Debtors

	<i>2020</i>	<i>2019</i>
	£	£
Fees receivable	5,440	11,199
Amounts owed by group undertakings	1,073	20,207
Prepayments and accrued income	8,779	9,879
	15,292	41,285

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank overdraft	218,803	246,959
Bank loan	5,000	-
Trade creditors	27,032	16,725
Taxation and social security	33,001	7,466
Other creditors	107,991	71,736
Payments received on account for research contracts	17,224	-
Accruals and deferred income	26,049	31,225
	<u>435,100</u>	<u>374,111</u>
Deferred income brought forward	5,810	21,051
Income deferred in the year	-	5,810
Income released in the year	(5,810)	(21,051)
Deferred income carried forward	<u>-</u>	<u>5,810</u>

Deferred income relates to deposits received for spectacles and contact lenses which were not collected until after the year end and research income deferred based on the stage of completion.

The bank overdraft is secured on the freehold property (see note 11). The aggregate debt secured at the balance sheet date was £218,803 (2019: £246,959).

15 Creditors: amounts falling due after one year

	2020 £	2019 £
Bank loan due in more than one year	<u>45,000</u>	<u>-</u>
Amounts repayable after more than 5 years:		
By instalments	<u>5,000</u>	<u>-</u>

The loan bears interest of 2.5% and is repayable over 6 years. The first 12 months of interest is payable by the government. The loan is unsecured.

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16 Statement of movement in funds

<i>Current year</i>	<i>Brought forward £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Carried forward £</i>
Unrestricted funds				
General fund	57,824	311,574	(437,674)	(68,276)
Endowment funds				
J. Stephen Dawson Memorial Fund	8,711	-	-	8,711
Total funds	66,535	311,574	(437,674)	(59,565)
<i>Prior year</i>	<i>Brought forward £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Carried forward £</i>
Unrestricted funds				
General fund	75,890	531,521	(549,587)	57,824
Endowment funds				
J. Stephen Dawson Memorial Fund	8,711	-	-	8,711
Restricted funds				
Research trials	11,899	-	(11,899)	-
Total funds	96,500	531,521	(561,486)	66,535

Restricted funds in 2019 relate to grants received for the 'Referrals from the Community' research project which commenced in 2017. This project was fully expensed by the end of 2019.

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17 Analysis of net assets between funds

	<i>Restricted funds 2020 £</i>	<i>Endowment funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
<i>Current year</i>				
Tangible fixed assets	-	-	377,610	377,610
Fixed asset investments	-	8,711	612	9,323
Current assets	-	-	33,602	33,602
Creditors: within one year	-	-	(435,100)	(435,100)
	-	8,711	(68,276)	(59,565)
	<i>Restricted funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
<i>Prior year</i>				
Tangible fixed assets	-	-	375,687	375,687
Fixed asset investments	-	8,711	538	9,249
Current assets	-	-	55,710	55,710
Creditors: within one year	-	-	(374,111)	(374,111)
	-	8,711	57,824	66,535

18 Operating lease commitments

The charity is committed to future minimum lease payments under non-cancellable operating leases as follows:

	<i>2020 £</i>	<i>2019 £</i>
Due not later than one year	-	1,416
	-	1,416

I.O.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19 Related party transactions

The Directors and the Practice Manager are considered to be key management personnel.

During the year, no Directors received any remuneration nor any reimbursement of expenses (2019: £Nil).

The total amount of employee benefits received by key management personnel during the year was £50,229 (2019: £50,449).

As at 31.12.19 there were loans outstanding due to two trustees, Dr M. Wolffe and Mr A. Gasson, amounting to £55,333. During the year the charity received further loans from both trustees totalling £20,000 and a loan from Miss J A Morris totalling £11,000. The total amount outstanding at the year end was £86,333 which is shown in creditors due within one year.

During the year donations of £NIL (2019: £10,000) were received from a trustee.

During the year the charity charged its subsidiary I.O.O. Sales Limited £7,200 (2019: £9,600) for rental of office space, and £5,134 (2019: £5,100) for office and management charges. During the year the charity also recharged I.O.O. Sales Limited £18,479 (2019: £21,036) for staff costs, and £3,961 (2019: £5,783) for postage and other costs. I.O.O. Sales Limited also charged I.O.O. Limited £810 (2019: £8,311) in PDQ charges and £7,124 for furlough claims (2019: £NIL). During the year I.O.O. Sales Limited donated £1,289 (2019: £17,139) to the charity. At the balance sheet date I.O.O. Sales Limited owed the charity £1,073 (2019: £20,208).