

Company Registration No. 02684965 (England and Wales)

LONDON WOMEN'S CLINIC LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2019**

LONDON WOMEN'S CLINIC LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | K Ahuja D Williams |
| Secretary | D Lewsey |
| Company number | 02684965 |
| Registered office | 113-115 Harley Street London W1G 6AP |
| Auditor | Cheesmans 4 Aztec Row Berners Road London N1 0PW |
| Bankers | HSBC Bank Plc 165 Fleet Street London EC4 2DY |

LONDON WOMEN'S CLINIC LIMITED

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LONDON WOMEN'S CLINIC LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2019

The directors present the strategic report for the year ended 31 October 2019.

Fair review of the business

The company continues to perform well and all of the developments carried out in the previous year have exceeded expectations. The company continues to grow organically and has focused on the key strands of the business notably offering a broad range of fertility treatments and enhancing the services of London Egg Bank. The company works with regulatory authorities and also with key stakeholders in the sector to enhance services offered to existing and future patients. The company will continue to innovate and actively participates in research and development of fertility services producing research papers on a regular basis.

Principal risks and uncertainties

As a provider of healthcare services, the circumvention of clinical risk is paramount to the business. Such circumvention is enforced by a formal risk management policy, as well as relevant governance policies.

The control of clinical risk is dealt with by:

- Liaising closely with the Human Fertilisation and Embryology Authority (HFEA);
- All treatments performed by the Company are done so under independent licence by the HFEA;
- Ensuring that the best possible team of consultants, embryologists and nurses are recruited and incentivised to work to the highest possible standards;
- Success rates are thoroughly analysed and monitored across the Company, sharing best practice with other clinics to achieve high quality;
- Ongoing reviews of patient services to ensure that care of the patient is top priority, and sharing best practice across the Company to achieve utmost attention to the care and health of patients.

Development and performance

The results for the year, as set out on page 6.

The company's key performance business indicators are separately shown below. The latest publicly available clinical success rates and cycle information can be found on the HFEA website.

Key performance indicators

The Company has made significant progress throughout the year in relation to key elements of the strategy.

The Board monitors the progress of the Company by reference to the following key performance indicators:

| | 2019 | 2018 | Change |
|----------|--------|--------|--------|
| | £'000 | £'000 | % |
| Turnover | 20,137 | 17,045 | 18% |
| EBITDA | 1,167 | 566 | 206% |

LONDON WOMEN'S CLINIC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

Other information and explanations

The company intends to pursue their principal activities for the foreseeable future.

By order of the Board

D Williams

Director

29 October 2020

LONDON WOMEN'S CLINIC LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2019

The directors present their annual report and financial statements for the year ended 31 October 2019.

Principal activities

The principal activity of the company has continued to be the provision of medical facilities and services, however subsequent to the year end the COVID 19 pandemic caused HFEA to instruct all clinics to wind down and cease all treatments by 25 April 2020 which caused significant disruption to the company's trading activities. HFEA gave clearance to consider reopening from 11 May 2020 and the clinic recommenced trading on 1 July 2020.

Directors

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

K Ahuja
D Williams

Auditor

The auditor, Cheesmans, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors 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 auditors are aware of that information.

LONDON WOMEN'S CLINIC LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Board

D Lewsey

Secretary

29 October 2020

LONDON WOMEN'S CLINIC LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF LONDON WOMEN'S CLINIC LIMITED

Opinion

We have audited the financial statements of London Women's Clinic Limited (the 'company') for the year ended 31 October 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

LONDON WOMEN'S CLINIC LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF LONDON WOMEN'S CLINIC LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

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.

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.

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

LONDON WOMEN'S CLINIC LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF LONDON WOMEN'S CLINIC LIMITED

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Carol Cheesman (Senior Statutory Auditor)
for and on behalf of Cheesmans

29 October 2020

Chartered Accountants
Statutory Auditor

4 Aztec Row
Berners Road
London
N1 0PW

LONDON WOMEN'S CLINIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2019

| | Notes | 2019 £ ,000 | 2018 £ ,000 |
|--|------------|----------------|----------------|
| Turnover | 1.2 | 20,132 | 17,048 |
| Cost of sales | | (10,571) | (8,989) |
| Gross profit | | 9,561 | 8,059 |
| Administrative expenses | | (9,517) | (8,662) |
| Other operating income | | 375 | 350 |
| Operating profit/(loss) | | 419 | (253) |
| Interest receivable and similar income | | 11 | 47 |
| Interest payable and similar expenses | | (20) | (5) |
| Profit/(loss) before taxation | | 410 | (211) |
| Taxation | | 153 | 229 |
| Profit for the financial year | | 563 | 18 |

LONDON WOMEN'S CLINIC LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2019

| | | 2019 | 2018 |
|--|-------|---------|---------|
| | Notes | £ ,000 | £ ,000 |
| Fixed assets | | | |
| Intangible assets | 4 | 781 | 981 |
| Tangible assets | 5 | 3,424 | 3,021 |
| | | 4,205 | 4,002 |
| Current assets | | | |
| Stocks | | 739 | 560 |
| Debtors | 6 | 1,865 | 2,258 |
| Cash at bank and in hand | | 198 | 87 |
| | | 2,802 | 2,905 |
| Creditors: amounts falling due within one year | 7 | (3,529) | (3,256) |
| Net current liabilities | | (727) | (351) |
| Total assets less current liabilities | | 3,478 | 3,651 |
| Creditors: amounts falling due after more than one year | 8 | (107) | (93) |
| Net assets | | 3,371 | 3,558 |
| Capital and reserves | | | |
| Called up share capital | | 1,995 | 1,995 |
| Profit and loss reserves | | 1,376 | 1,563 |
| Total equity | | 3,371 | 3,558 |

The financial statements were approved by the Board of Directors and authorised for issue on 29 October 2020 and are signed on its behalf by:

K Ahuja
Director

Company Registration No. 02684965

LONDON WOMEN'S CLINIC LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2019

| | Share capital | Profit and loss reserves | Total |
|--|---------------|-----------------------------|--------------|
| Notes | £ ,000 | £ ,000 | £ ,000 |
| Balance at 1 November 2017 | 1,995 | 3,545 | 5,540 |
| Year ended 31 October 2018: | | | |
| Profit and total comprehensive income for the year | - | 18 | 18 |
| Dividends | - | (2,000) | (2,000) |
| | <u>1,995</u> | <u>1,563</u> | <u>3,558</u> |
| Balance at 31 October 2018 | 1,995 | 1,563 | 3,558 |
| Year ended 31 October 2019: | | | |
| Profit and total comprehensive income for the year | - | 563 | 563 |
| Dividends | - | (750) | (750) |
| | <u>1,995</u> | <u>1,376</u> | <u>3,371</u> |
| Balance at 31 October 2019 | <u>1,995</u> | <u>1,376</u> | <u>3,371</u> |

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

Company information

London Women's Clinic Limited is a private company limited by shares incorporated in England and Wales. The registered office is 113-115 Harley Street, London, W1G 6AP.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of JD Healthcare Limited. These consolidated financial statements are available from its registered office, 113-115 Harley Street, London, W1G 6AP.

1.2 Turnover

Turnover represents amounts receivable for goods and services rendered during the year.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

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

The company receives revenue in respect of a storage fees to freeze and store patient gametes and embryos, the storage term for which has changed in the current year from one to three years. The allocation of revenue between point of sale and subsequent periods is a key judgement estimate and critical accounting judgement.

Total revenue earned in respect of three year storage fees was £1.052million (2018: nil), of which two thirds was deferred at the year end.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.5 Intangible fixed assets other than goodwill

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

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

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

| | |
|-------|-------------------|
| Brand | 20% straight line |
|-------|-------------------|

1.6 Tangible fixed assets

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

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

| | |
|----------------------------------|--------------------------------------|
| Leasehold works | Over the remaining life of the lease |
| Medical and laboratory equipment | 20% straight line |
| Fixtures, fittings & equipment | 50% 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.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

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

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

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

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

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.9 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.

1.10 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

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

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

Derecognition of financial liabilities

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

1.11 Equity instruments

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

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

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

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

1.15 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 balance sheet 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.

1.16 Group relief

Where tax losses are claimed, the claimant company pays to the surrendering company an amount equal to the corporation tax saved.

2 Employees

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

| | 2019 Number | 2018 Number |
|-------|----------------|----------------|
| Total | 132 | 121 |

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

3 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

| | Notes | 2019 £ ,000 | 2018 £ ,000 |
|-------------------------------|-------|-------------------|-------------------|
| In respect of: | | | |
| Property, plant and equipment | 5 | 3 | - |
| | | <u> </u> | <u> </u> |

4 Intangible fixed assets

| | Goodwill £ ,000 | Brand £ ,000 | Total £ ,000 |
|--|--------------------|-------------------|-------------------|
| Cost | | | |
| At 1 November 2018 and 31 October 2019 | 254 | 820 | 1,074 |
| | <u> </u> | <u> </u> | <u> </u> |
| Amortisation and impairment | | | |
| At 1 November 2018 | (71) | 164 | 93 |
| Amortisation charged for the year | 36 | 164 | 200 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 October 2019 | (35) | 328 | 293 |
| | <u> </u> | <u> </u> | <u> </u> |
| Carrying amount | | | |
| At 31 October 2019 | 289 | 492 | 781 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 October 2018 | 325 | 656 | 981 |
| | <u> </u> | <u> </u> | <u> </u> |

More information on impairment movements in the year is given in note 3.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

5 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Total |
|------------------------------------|-----------------------|----------------------------|--------|
| | £ ,000 | £ ,000 | £ ,000 |
| Cost | | | |
| At 1 November 2018 | 2,803 | 3,079 | 5,882 |
| Additions | 519 | 644 | 1,163 |
| Disposals | (13) | (447) | (460) |
| At 31 October 2019 | 3,309 | 3,276 | 6,585 |
| Depreciation and impairment | | | |
| At 1 November 2018 | 625 | 2,237 | 2,862 |
| Depreciation charged in the year | 214 | 526 | 740 |
| Impairment losses | - | 3 | 3 |
| Eliminated in respect of disposals | (2) | (442) | (444) |
| At 31 October 2019 | 837 | 2,324 | 3,161 |
| Carrying amount | | | |
| At 31 October 2019 | 2,472 | 952 | 3,424 |
| At 31 October 2018 | 2,178 | 843 | 3,021 |

More information on impairment movements in the year is given in note 3.

6 Debtors

| | 2019 £ ,000 | 2018 £ ,000 |
|--|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 752 | 461 |
| Other debtors | 656 | 783 |
| | 1,408 | 1,244 |
| Amounts falling due after more than one year: | | |
| Other debtors | 457 | 1,014 |
| Total debtors | 1,865 | 2,258 |

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

7 Creditors: amounts falling due within one year

| | 2019 £ ,000 | 2018 £ ,000 |
|------------------------------------|----------------|----------------|
| Trade creditors | 1,213 | 1,841 |
| Amounts owed to group undertakings | 455 | - |
| Taxation and social security | - | 171 |
| Other creditors | 1,861 | 1,244 |
| | <u>3,529</u> | <u>3,256</u> |

8 Creditors: amounts falling due after more than one year

| | 2019 £ ,000 | 2018 £ ,000 |
|-----------------|----------------|----------------|
| Trade creditors | - | 3 |
| Other creditors | 107 | 90 |
| | <u>107</u> | <u>93</u> |

9 Financial commitments, guarantees and contingent liabilities

There is a fixed and floating charge between the companies of the J D Healthcare Group under the terms of which amounts due to HSBC Bank Plc are secured on the assets of all group companies. There have been no instances in the year or to date whereby the obligations under this debenture have been breached and therefore this debenture is not currently enforceable.

The Company participates in a cross guarantee with other companies in the group and associated companies. There is a composite company unlimited multilateral guarantee between J D Healthcare Limited, The Bridge Centre Limited and HSBC, whereby amounts due to and from HSBC can be offset. At 31 October 2019, £194,444 could be called under the arrangement.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2019

10 Operating lease commitments

Lessee

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

| 2019 £ ,000 | 2018 £ ,000 |
|-------------------|-------------------|
| 17,354 | 17,497 |
| <u> </u> | <u> </u> |

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

| 2019 £ ,000 | 2018 £ ,000 |
|-------------------|-------------------|
| 467 | 759 |
| <u> </u> | <u> </u> |

11 Parent company

At the balance sheet date the company's parent undertaking was London Women's Hospital Limited, a company registered in England and Wales.

At the balance sheet date the company's ultimate parent undertaking was J D Healthcare Limited, a company registered in England and Wales.

Copies of these companies' accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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