

Company Registration No. 02684965 (England and Wales)

LONDON WOMEN'S CLINIC LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2020**

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 2020

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

Fair review of the business

Overall, the company performed well despite the impact of the outbreak of COVID-19 in March 2020 and the forced closure of the clinics during April and May 2020. The company returned strongly and made up some of the losses incurred during the closure. The company continues to focus on delivering high quality and safe fertility treatment across all its facilities. The company benefited from strong growth in egg sales through the London Egg Bank division and at the year end transferred the business into its own legal entity, London Egg Bank Limited.

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, are set out on page 7.

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:

	2020	2019	Change
	£'000	£'000	%
Turnover	£18,499	£20,137	(8%)
EBITDA	£1,535	£1,167	32%

LONDON WOMEN'S CLINIC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Other information and explanations

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

By order of the Board

D Williams

Director

30 July 2021

LONDON WOMEN'S CLINIC LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2020

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

Principal activities

The principal activity of the company continued to be that of the provision of medical facilities and services. During the year the COVID-19 pandemic caused HFEA to instruct all clinics to wind down activities and cease all treatments by 25 April 2020 which caused a disruption to the company's trading activities. HFEA gave clearance to consider reopening 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

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £1,376,320. The directors do not recommend payment of a final dividend.

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 2020

By order of the Board

D Lewsey
Secretary
30 July 2021

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 2020 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 2020 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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: <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 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

30 July 2021

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 2020

	Notes	Continuing operations £	Discontinued operations £	31 October 2020 £	Continuing operations £	Discontinued operations £	31 October 2019 £
Turnover	3	16,418,912	2,079,834	18,498,746	18,240,952	1,896,000	20,136,952
Cost of sales		(8,189,490)	(1,308,024)	(9,497,514)	(9,207,830)	(1,364,000)	(10,571,830)
Gross profit		8,229,422	771,810	9,001,232	9,033,122	532,000	9,565,122
Administrative expenses		(8,523,203)	(608,831)	(9,132,034)	(8,818,848)	(701,000)	(9,519,848)
Other operating income		352,066	-	352,066	375,186	-	375,186
Operating profit	4	58,285	162,979	221,264	589,460	(169,000)	420,460
Interest receivable and similar income	6	11,415	-	11,415	11,136	-	11,136
Interest payable and similar expenses	7	(11,732)	(900)	(12,632)	(20,241)	-	(20,241)
Profit before taxation		57,968	162,079	220,047	580,355	(169,000)	411,355
Taxation	8	(215,617)	-	(215,617)	152,146	-	152,146
Profit for the financial year		(157,649)	162,079	4,430	732,501	(169,000)	563,501

LONDON WOMEN'S CLINIC LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	12	252,700		288,800	
Other intangible assets	12	19,889		492,000	
Total intangible assets		272,589		780,800	
Tangible assets	13	3,415,576		3,421,533	
		3,688,165		4,202,333	
Current assets					
Stocks	14	174,155		738,836	
Debtors	15	1,617,835		1,868,393	
Cash at bank and in hand		368,469		198,434	
		2,160,459		2,805,663	
Creditors: amounts falling due within one year	16	(3,582,443)		(3,529,390)	
Net current liabilities		(1,421,984)		(723,727)	
Total assets less current liabilities		2,266,181		3,478,606	
Creditors: amounts falling due after more than one year	17	(57,953)		(106,940)	
Provisions for liabilities		(208,452)		-	
Net assets		1,999,776		3,371,666	
Capital and reserves					
Called up share capital	21	1,995,346		1,995,346	
Profit and loss reserves		4,430		1,376,320	
Total equity		1,999,776		3,371,666	

The financial statements were approved by the Board of Directors and authorised for issue on 30 July 2021 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 2020

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 November 2018		1,995,346	1,562,819	3,558,165
Year ended 31 October 2019:				
Profit and total comprehensive income for the year		-	563,501	563,501
Dividends	10	-	(750,000)	(750,000)
Balance at 31 October 2019		1,995,346	1,376,320	3,371,666
Year ended 31 October 2020:				
Profit and total comprehensive income for the year		-	4,430	4,430
Dividends	10	-	(1,376,320)	(1,376,320)
Balance at 31 October 2020		1,995,346	4,430	1,999,776

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

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.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 2020

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 £0.559million (2019: £1.052million), 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; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Website costs	50% straight line
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	20% straight line
Computer equipment	33% straight line
Furniture / small equipment	25% straight line
Artwork	10% straight line

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

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.

1.7 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 cost and replacement 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.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

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.

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 2020

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 2020

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.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

2 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

Revenue is recognised when the risks and rewards of ownership have transferred to the buyer.

Assessing the point where this occurs includes the judgement that revenue from IVF sales is recognised when the patient baseline occurs.

The judgement for goods sold such as drug packages and eggs is that the sale occurs when the invoice is raised.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

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

Brand impairment

Determining whether the brand acquired from the acquisition of The Bridge Centre requires an estimation of the value in use of the brand in the day to day business of the company. The carrying amount of the brand at the reporting end date was nil after an impairment loss of £328,000 was recognised during 2020. Details of the impairment loss are set out in note 11.

Debtor recoverability

At the balance sheet date, the directors consider the recoverability of the amounts owed to the company utilising post balance sheet information where available. Where balances are not considered recoverable appropriate provisions are made.

With regard to trade debtors, determining the recoverability of debtors requires an estimation of the average time period that self-funded debtors will pay. The directors consider 180 days to be a reasonable estimate.

Storage fee income deferred

Where an invoice has been raised but the service has yet to be provided, the directors defer and estimated amount of the income to represent the period in which the services will be provided.

With regard to multi year storage fees provided by the Company, this is recognised over the storage period, with one year of income is recognised in the year in which the invoice is raised with annual release in subsequent years.

Useful Lives of Assets

The directors have considered the useful economic life of the fixed assets and on that basis have estimated the depreciation rate that should be used by the Company. Where new information becomes available in this regard the Directors consider the materiality of any potential adjustments and where necessary revise their useful economic life assessment.

3 Turnover and other revenue

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

	2020 £	2019 £
Turnover analysed by class of business		
Fertility services	18,498,746	20,136,952
	<u> </u>	<u> </u>
	2020 £	2019 £
Other significant revenue		
Interest income	11,415	11,136
	<u> </u>	<u> </u>

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Research and development costs	-	38,252
Fees payable to the company's auditor for the audit of the company's financial statements	16,137	13,200
Depreciation of owned tangible fixed assets	732,654	684,411
Depreciation of tangible fixed assets held under finance leases	59,626	56,000
Impairment of owned tangible fixed assets	-	3,300
(Profit)/loss on disposal of tangible fixed assets	(7,047)	11,750
Amortisation of intangible assets	200,100	200,100
Impairment of intangible assets	328,000	-
Operating lease charges	1,621,957	1,550,968

5 Employees

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

	2020	2019
	Number	Number
Administrative	37	37
Medical staff	87	95
Total	124	132

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	5,396,578	5,985,256
Social security costs	597,079	664,142
Pension costs	106,705	112,569
	6,100,362	6,761,967

6 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	11,415	11,136

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on finance leases and hire purchase contracts	12,632	20,241

8 Taxation

	2020	2019
	£	£
Current tax		
Adjustments in respect of prior periods	-	(39,577)
Group tax relief	7,165	(112,569)
Total current tax	7,165	(152,146)
Deferred tax		
Origination and reversal of timing differences	208,452	-
Total tax charge/(credit)	215,617	(152,146)

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

	2020	2019
	£	£
Profit before taxation	220,047	411,355
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	41,809	78,157
Tax effect of expenses that are not deductible in determining taxable profit	6,358	12,909
Tax effect of utilisation of tax losses not previously recognised	(28,180)	-
Group relief	-	(112,946)
Permanent capital allowances in excess of depreciation	66,527	(3,091)
Research and development tax credit	(79,349)	(87,598)
Under/(over) provided in prior years	-	(39,577)
Deferred Tax	208,452	-
Taxation charge/(credit) for the year	215,617	(152,146)

9 Discontinued operations

London Egg Bank

On 31 October 2020, the company sold its stock of eggs and assets relating to the egg donation business to The London Egg Bank Limited, a group company with the intention that that company will undertake the egg donation trade with effect from 1 November 2020.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

10 Dividends

	2020 £	2019 £
Interim paid	1,376,320	750,000

11 Impairments

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

	Notes	2020 £	2019 £
In respect of:			
Intangible assets	12	328,000	-
Property, plant and equipment	13	-	3,300
Recognised in:			
Administrative expenses		328,000	3,300

12 Intangible fixed assets

	Goodwill £	Negative goodwill £	Website costs £	Brand £	Total £
Cost					
At 1 November 2019	361,000	(107,266)	-	820,000	1,073,734
Transfers	-	-	69,413	-	69,413
At 31 October 2020	361,000	(107,266)	69,413	820,000	1,143,147
Amortisation and impairment					
At 1 November 2019	72,200	(107,266)	-	328,000	292,934
Amortisation charged for the year	36,100	-	-	164,000	200,100
Impairment losses	-	-	-	328,000	328,000
Transfers	-	-	49,524	-	49,524
At 31 October 2020	108,300	(107,266)	49,524	820,000	870,558
Carrying amount					
At 31 October 2020	252,700	-	19,889	-	272,589
At 31 October 2019	288,800	-	-	492,000	780,800

More information on impairment movements in the year is given in note 11.

LONDON WOMEN'S CLINIC LIMITED

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

13	Tangible fixed assets								
		Leasehold works	Medical and laboratory equipment	Fixtures, fittings & equipment	Computer equipment	Furniture / small equipment	Artwork	Total	
		£	£	£	£	£	£	£	£
Cost									
At 1 November 2019		3,307,981	1,716,943	1,559,427	-	-	-	6,584,351	
Additions		281,533	420,743	152,366	-	-	-	854,642	
Disposals		-	(75,642)	-	-	-	-	(75,642)	
Transfers		109,023	(5,206)	(1,254,494)	766,874	71,748	54,514	(257,541)	
At 31 October 2020		3,698,537	2,056,838	457,299	766,874	71,748	54,514	7,105,810	
Depreciation and impairment									
At 1 November 2019		837,278	1,015,562	1,309,978	-	-	-	3,162,818	
Depreciation changed in the year		336,721	283,547	172,012	-	-	-	792,280	
Eliminated in respect of disposals		-	(74,289)	-	-	-	-	(74,289)	
Transfers		95,482	(1,438)	(1,058,369)	658,810	69,410	45,530	(190,575)	
At 31 October 2020		1,269,481	1,223,382	423,621	658,810	69,410	45,530	3,690,234	
Carrying amount									
At 31 October 2020		2,429,056	833,456	33,678	108,064	2,338	8,984	3,415,576	
At 31 October 2019		2,470,703	701,381	249,449	-	-	-	3,421,533	

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

13 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Medical and laboratory equipment	201,811	123,000

More information on impairment movements in the year is given in note 11.

14 Stocks

	2020 £	2019 £
Finished goods and goods for resale	174,155	738,836

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	697,336	755,388
Amounts owed by group undertakings	261,422	-
Other debtors	40,000	59,215
Prepayments and accrued income	619,077	597,204
	1,617,835	1,411,807

	2020 £	2019 £
Amounts falling due after more than one year:		
Other debtors	-	456,586

Total debtors	1,617,835	1,868,393
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LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	18	116,209	77,380
Trade creditors		1,355,899	1,213,104
Amounts owed to related parties		-	454,835
Other creditors		7,465	96,362
Accruals and deferred income		2,102,870	1,687,709
		<u>3,582,443</u>	<u>3,529,390</u>

17 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	18	57,953	106,940
		<u>57,953</u>	<u>106,940</u>

18 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	116,209	77,380
In two to five years	57,953	106,940
	<u>174,162</u>	<u>184,320</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery.

19 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	208,452	-
	<u>208,452</u>	<u>-</u>

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

19 Deferred taxation (Continued)

Movements in the year:	2020
	£
Liability at 1 November 2019	-
Charge to profit or loss	208,452
Liability at 31 October 2020	208,452

20 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	106,705	112,569

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.

21 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of £1 each	1,995,346	1,995,346	1,995,346	1,995,346

The shares of the company are at par value and have full voting rights attributed to them.

22 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.

LONDON WOMEN'S CLINIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

23 Operating lease commitments

Lessee

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

	2020 £	2019 £
Within one year	1,101,014	1,429,703
Between two and five years	4,013,974	4,632,883
In over five years	10,454,424	11,291,569
	<u>15,569,412</u>	<u>17,354,155</u>

Lessor

The operating leases represent leases to group companies.

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

	2020 £	2019 £
Within one year	286,308	394,000
Between two and five years	720,068	73,000
	<u>1,006,376</u>	<u>467,000</u>

24 Ultimate controlling party

At the balance sheet date the company's parent undertaking was Harley Street Women's Clinic 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.

At 31 October 2020 the company's ultimate controlling party was Kamal Ahuja, a director of the company and of the group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.