

Company Registration No. 05925090 (England and Wales)

LONDON SPERM BANK LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2023**

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LONDON SPERM BANK LIMITED

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LONDON SPERM BANK LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2023

		2023	2022
	Notes	£	£
Fixed assets			
Intangible assets	5	397,009	525
Tangible assets	6	163,137	152,662
		<u>560,146</u>	<u>153,187</u>
Current assets			
Stocks		604,399	1,049,663
Debtors	7	71,490	89,919
Cash at bank and in hand		110,565	162,190
		<u>786,454</u>	<u>1,301,772</u>
Creditors: amounts falling due within one year	8	<u>(242,927)</u>	<u>(940,830)</u>
Net current assets		<u>543,527</u>	<u>360,942</u>
Total assets less current liabilities		<u>1,103,673</u>	<u>514,129</u>
Creditors: amounts falling due after more than one year	9	(1,000,000)	-
Provisions for liabilities		<u>(35,998)</u>	<u>(15,923)</u>
Net assets		<u><u>67,675</u></u>	<u><u>498,206</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss reserves		67,575	498,106
Total equity		<u><u>67,675</u></u>	<u><u>498,206</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the Board of Directors and authorised for issue on 1 March 2024 and are signed on its behalf by:

D Williams
Director

Company Registration No. 05925090

LONDON SPERM BANK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2023

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 November 2021	100	774,517	774,617
Year ended 31 October 2022:			
Profit and total comprehensive income for the year	-	298,106	298,106
Dividends	-	(574,517)	(574,517)
Balance at 31 October 2022	100	498,106	498,206
Year ended 31 October 2023:			
Loss and total comprehensive income for the year	-	(132,425)	(132,425)
Dividends	-	(298,106)	(298,106)
Balance at 31 October 2023	100	67,575	67,675

LONDON SPERM BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

Company information

London Sperm Bank 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

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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.

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

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

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.

LONDON SPERM BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

(Continued)

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 and software	3 years straight line
Development Costs	10 years 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 improvements	Over the remaining life of the lease
Plant and machinery	10 years straight line
Fixtures, fittings & equipment	10 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 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

Stock at the year end comprises donated and purchased sperm and is stated at the lower of cost and estimated selling price less costs to complete and sell. Costs of purchased sperm is based on purchase price plus costs to bring the stock to its present location and condition. Donated stock cost is based on the absorption of relevant costs, including direct materials, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

LONDON SPERM BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment, based on the ability of the company to sell its sperm stock to new families and within consent periods, assessed on a donor by donor basis. 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.

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.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including 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.

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.

1.12 Taxation

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

LONDON SPERM BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

1 Accounting policies

(Continued)

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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.13 Leases

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.

1.14 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All foreign exchange differences are taken to profit and loss account.

1.15 Group relief

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

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.

Stock provisions

Sperm stock is held net of provisions based on the age of stock. The previous legislation in such regard set a maximum of ten years storage of gametes without a medical reason, and provisions were calculated in accordance with this. The Health and Care Act 2022 extends storage to 55 years for gametes, in ten year tranches of consent by the donor, however the Board has made a judgement that these provisions are still valid, as these are based on current donor consents for storage which are for ten years maximum.

LONDON SPERM BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

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.

Stock value

The value of stock that is acquired via a donor is based on an absorption of relevant costs, including direct materials, direct labour costs and those overheads that have been incurred in bringing the stock to its present location and condition.

In calculating the relevant costs the directors estimate the allocation of these costs on the average number of amps donated during each visit to the clinic by the donor. This estimation is reviewed every year comparing to the average number of amps produced per visit in that year and where material adjustments are made in the calculation.

Stock provisions

Due to the nature of the stock, there are government imposed restrictions on the usage based on the number of families who have used the stock and the ageing of the stock.

Each year, the directors make an appropriate provision based on the data available to reduce the carrying value of the stock based on whether the stock is approaching either the family limit or the ageing limit currently recognised by the company, being a ten year consent period.

Due to the nature of the stock, there are government imposed restrictions on the usage of stock donated over the course of a donation programme until such time as the donor has obtained a final 'clear' blood test after the stock has been held in quarantine for the requisite 180 days.

Each year directors make an appropriate provision each year based on the data available to reduce the carrying amount of stock based on the likelihood of the donor returning for the final test.

3 Auditor's remuneration

The company uses common facilities with other group undertakings for which management charges are rendered by the ultimate parent undertaking. Included within those charges are amounts for staff and administrative costs together with audit fees of £12,500 (2022: £12,500) and fees of £1,420 (2022 : £1,420) for taxation services.

Neither of the directors received any remuneration for their services direct from the company.

4 Employees

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

	2023 Number	2022 Number
Total	-	-

LONDON SPERM BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

5 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 November 2022	210,000	600	210,600
Additions	-	413,578	413,578
At 31 October 2023	210,000	414,178	624,178
Amortisation and impairment			
At 1 November 2022	210,000	75	210,075
Amortisation charged for the year	-	17,094	17,094
At 31 October 2023	210,000	17,169	227,169
Carrying amount			
At 31 October 2023	-	397,009	397,009
At 31 October 2022	-	525	525

6 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 November 2022	49,126	514,529	563,655
Additions	6,014	111,740	117,754
Disposals	-	(125,131)	(125,131)
At 31 October 2023	55,140	501,138	556,278
Depreciation and impairment			
At 1 November 2022	36,128	374,865	410,993
Depreciation charged in the year	13,446	32,777	46,223
Eliminated in respect of disposals	-	(64,075)	(64,075)
At 31 October 2023	49,574	343,567	393,141
Carrying amount			
At 31 October 2023	5,566	157,571	163,137
At 31 October 2022	12,998	139,664	152,662

LONDON SPERM BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

7 Debtors	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	21,015	20,820
Other debtors	50,475	69,099
	<u>71,490</u>	<u>89,919</u>
8 Creditors: amounts falling due within one year	2023	2022
	£	£
Bank loans and overdrafts	-	193
Trade creditors	111,519	118,196
Amounts owed to group undertakings	125,110	805,960
Other creditors	6,298	16,481
	<u>242,927</u>	<u>940,830</u>
9 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Other creditors	<u>1,000,000</u>	<u>-</u>

Included in creditors due in over one year is an amount of £1million (2022:nil) due to the parent company. This loan is interest bearing at the Bank of England base rate, and is due for repayment in 5 years.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Carol Cheesman
Statutory Auditor:	Cheesmans

LONDON SPERM BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

11 Financial commitments, guarantees and contingent liabilities

There is a fixed and floating charge between the companies of the J D Healthcare Group Limited 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 are actually considered to be 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 Bank Plc whereby amounts due to and from HSBC Bank Plc can be offset.

There is a contingent liability between sperm donors and London Sperm Bank Limited under the terms of which donors are entitled to travelling expense reimbursements for their visits to the clinic. The amounts estimated to be due to donors at 31 October 2023 amounted to £64,309 (2022: £82,709).

In respect of claims against the company, a contingent liability of £15,000 (2022: nil) has arisen at the year end.

12 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:

2023	2022
£	£
720,000	192,000

13 Related party transactions

Transactions with related parties

The company has taken advantage of the exemptions available whereby it has not disclosed transactions with the parent company, the ultimate parent company, or any wholly owned subsidiary undertakings of the group.

14 Ultimate parent company

The parent company of London Sperm Bank Limited is London Women's Hospital Limited. The registered office is 113-115 Harley Street, London, W1G 6AP.

The ultimate parent company of London Sperm Bank Limited is JD Healthcare Limited. The registered office is 113-115 Harley Street, London, W1G 6AP.

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.