

**TFP Fertility Group Limited**

**Annual report and consolidated  
financial statements**

**Registered number 11876438**

**Year ended 31 March 2023**

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## **Company Information**

### **Directors**

J Fleming  
G H Trew  
J Rohren (resigned 20/11/2023)  
J F Stromholm (resigned 20/11/2023)  
S Lawrence (appointed 20/11/2023)  
S Cummings (appointed 20/11/2023)

### **Company Registered number**

11876438

### **Registered office**

Institute of Reproductive Sciences Alec Issigonis Way  
Oxford Business Park North  
Oxford  
OX4 2HW

### **Senior statutory auditor**

Jason Mitchell

### **Auditor**

MHA, Statutory Auditor  
Building 4, Foundation Park  
Roxborough Way  
Maidenhead  
SL6 3UD, United Kingdom

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## Strategic report

### Business model and strategy

The Company was incorporated on 11 March 2019. TFP Fertility Group Limited is the parent of a group of subsidiaries which operate fertility clinics in the UK, Germany, Austria, Netherlands, Denmark and Poland, providing services to the National Health Service, to other public health insurance schemes in the different countries, and to private patients in all the countries.

- The Company and its U.K. subsidiaries adhere to the Human Fertilisation and Embryology (HFEA) Act 2008. The HFEA acts as licensing authority to all centres and inspects them annually.
- The German, Dutch, Austrian, Danish and Polish clinics adhere to the local government regulations and fertility association practices, as well as the clinical and operational standards set by the Group in line with UK regulations and best practice.
- The Company and its subsidiaries had 1,050 employees in 20 Fertility Clinics and various satellite clinics and offices in its six countries of operation.

The Company is managed by the directors, with subsidiaries submitting information on a regular basis. The Board of Directors provides periodic advice concerning the Company, its subsidiaries and investments. All subsidiaries and investments have local management and directors with appropriate internal controls in place.

### Business activity

During the year, the Group acquired 28.9% of Delivery Fertility DK I ApS for DKK and 6.26% of Simply Fertility Limited from the minority shareholders. This company owns 100% the Dansk Fertilitetsklinik ApS group and Simply Fertility Limited as 31 March 2023. The Kuwait JV was established in December 2022 which is not active during the year.

	2023	2022 (unaudited)
	£m	£m
Revenue	92.4	99.7
EBITDA	2.1	17.2
Operating loss	(16.6)	(2.9)
Loss before tax	(28.6)	(13.3)

With revenues of £92.4 million across 6 countries, the TFP Fertility Group (trading as TFP) has demonstrated a decline versus previous year. During FY23, approximately 90% (FY22: 90%) of revenue has been derived from the core IVF business with the remainder comprising adjacent specialisms such as blood laboratory, cryo-storage, kidney clinic and scanning services. The Group serves both the private and publicly funded health sectors.

During the year ended 31 March 2023 the Group incurred a loss before tax of £28.6 million (2022 (unaudited): loss of £13.3 million). This comprised an operating loss of £16.6 million (2022 (unaudited): loss of £2.9million) and net financing expenses of £12.1 million (2022 (unaudited): £10.4 million) incurred on borrowings amounting to £119 million at the year end (2022 (unaudited): £112 million). The operating loss is stated after £7.3 million (2022 (unaudited): £8.4 million) of depreciation of property, plant and equipment, £6.7 million (2022 (unaudited): £2.9 million) of amortisation of intangible assets. In the year ended 31 March 2023 there were also £4.8 million (2022 (unaudited): £9.3 million) of impairment charges. The Group's EBITDA for the year was £2.1 million (2022 (unaudited): £17.2 million). Cash outflows relating to interest payment of financing expenses were £10.0 million (2022 (unaudited): £8.7million).

## **Strategic report** *(continued)*

### **Review of business (continued)**

While we navigated various challenges, it is essential to address the impact of the Ukrainian war and its aftermath on our results. The geopolitical uncertainties and subsequent energy price surge have had a tangible impact on household spending patterns, leading to a reduction in the demand for certain discretionary goods and services. Our company, despite successfully navigating the complexities of the post-COVID recovery, found itself grappling with a new set of challenges as consumers faced limitations in their disposable income due to the increased cost of energy and huge inflation.

As a consequence, our company experienced a tangible reduction in demand for treatments as the inflation burden prompted households to postpone fertility treatments, saving their funds towards essential needs and core utilities in view of the uncertainty of the duration of the impact of the crisis. Consequently, the purchasing behaviour of our target market underwent a noticeable shift, impacting treatments and revenue generation.

We further experienced a significant attrition in our staffing during the fiscal year. This loss of key personnel posed operational challenges and impacted our ability to execute certain volumes seamlessly. The departure of experienced team members has prompted a thorough review of our talent management strategies and an enhanced focus on employee retention and development programs.

The economic fallout from the energy crisis prompted us to reassess our market strategies and adapt swiftly to the changing landscape. While we implemented cost-saving measures and operational efficiencies to mitigate the impact, the extent of the energy-related constraints on household budgets necessitated a more comprehensive evaluation of the group and the clinics.

In the November 2023, the group headed up by TFP Fertility Group Limited underwent a capital restructure and was subsequently divided into two. The group's trading operations in the United Kingdom, Poland and the Netherlands, now headed by TFP Fertility Group Limited ("NewCo"), will continue as a going concern in their own right following the restructure. The Group's trading operations in the Germany, Austria and Denmark ("RemainCo") will be sold in parts.

### **Going concern basis**

A separation agreement was signed on 20 November 2023, after which the group was reorganised into two components, NewCo and RemainCo. NewCo consists of the Group's operations within the United Kingdom, Poland and the Netherlands, whilst RemainCo consists of the German, Austrian and Danish operations, along with Group's newly formed joint venture in Kuwait.

The Group's trading operations in the United Kingdom, Poland and the Netherlands, now headed by TFP Fertility Group Limited, continue as a going concern in their own right, following this group reorganisation. The remaining parts of the Group in Germany, Austria and Denmark will be sold.

## **Strategic report** *(continued)*

### **Board of Director activities during 2023**

During 2023 the Board of Directors ('The Board') made a number of key strategic decisions to drive the Group forward. The following were the key areas considered and decided upon by the Board during 2023:

- To strengthen the regional and functional leadership teams;
- To secure additional funding to ensure business continuity post the Covid-19 pandemic and continue the growth strategy of the Group through the acquisition of additional clinics and businesses; and
- To invest in the Group's IT solutions and Marketing Platform.

In compliance with section 172 of the Companies Act, the background to the above decisions taken by the Board is set out below.

### **Section 172 statement**

During the year, the directors have had regard to the matters set out in S172 (1) (a) to (f) of the Companies Act 2006 whilst performing their duties. Whilst making decisions the directors ensure that they have acted in good faith, in a way they believe would promote the success of the Group for the benefit of its stakeholders. The directors consider the interests of:

- patients, who are the reason of being and direct source of revenue;
- employees and subcontractors, who not only enable the Group to provide its customers with expert treatment but also are able to develop their own expertise and enhance the Group's reputation within the medical profession, and for whose services there is often a competitive market;
- the shareholders in the Group, which include senior management, who seek a level of return on their investment appropriate to its risk;
- the financial institutions that lend to the Group, and also seek an appropriate level of return on their funding; and suppliers, who provide credit as well as goods and services.

Specifically, the directors have considered the following:

- a. The likely consequences of any decision in the long term;
- b. The interests of the Group's employees;
- c. The need to foster the Group's business relationships with patients, suppliers and others;
- d. The impact of the Group's operations on the community and the environment;
- e. The desirability of the Group maintaining a reputation for high clinical standards, and standards of business conduct; and
- f. The need to act fairly between members of the Company.

## **Strategic report *(continued)***

### **S172 (1) (a) The likely consequences of any decision in the long term**

The directors understand the business and the environment in which it operates. This is key to understanding the likely consequences of any long-term decisions. There is a clear plan for growth which ensures that the parts of the Group continues to provide a high-quality clinical service, satisfying patient and shareholder needs, amongst other stakeholders.

Continually improving environmental performance and operating methods are integral and fundamental parts of the business strategy. This strategy is key to ensuring that the parts of the Group delivers on its duty of care for the benefit of future generations.

### **S172 (1) (b) The interests of the Group's employees**

The directors value the Group's employees as key to the business and its success. What makes us different is our approach to relationships, which extends past the expected patient focus. Staff retention is essential to this. Employee welfare and wellbeing is of utmost importance and we ensure all employees work in a safe and healthy environment. When making decisions, the directors consider which course of action best delivers the strategy in the long term, taking into consideration all stakeholders of the Group, including the employees.

### **S172 (1) (c) The need to foster the Group's business relationships with patients, suppliers and others**

The directors put the patients' care as an absolute priority and support all initiatives to build relationships with patients and key suppliers enabling delivery of the same quality service each time. The directors believe that through establishing key partnerships with both patients and suppliers the business is more robust and consequently ensure that there is minimal impact on our business from factors outside of the Group's control.

### **S172 (1) (d) The impact of the Group's operations on the community and the environment**

The Group recognises the importance of minimising the impact of our operations on the community and environment, which is why it is core to our strategy. The Group wholly supports and where possible exceeds the requirement of current environmental legislation and codes of practice. It is our aim to minimise waste and water usage in buildings, the use of vehicles, and stimulate environmentally friendly processes in order to preserve resources, especially where they are non-renewable. We actively promote recycling both internally and amongst employees and suppliers. Environmental policies are reviewed periodically in consultation with applicable local authorities' staff and suppliers.

### **S172 (1) (e) The desirability of the Group maintaining a reputation for high standards of business conduct**

The Group is committed to improving quality and reduce any environmental impact. It does everything to maintain its reputation within the local community. It is the Group's aim to achieve sustained profitable growth by providing high quality clinical services securing a high level of patient satisfaction which enhances the Group's reputation with its patients, employees and suppliers.

### **S172 (1) (f) The need to act fairly between members of the Group**

When making decisions, the directors consider which course of action best delivers the Group strategy in the long term, taking into consideration all stakeholders of the Group. Minority shareholders are also directors of the entities in which they hold shares and represent themselves or are represented by other minority interest shareholder/directors at board meetings.

## Strategic report (continued)

### Principal risks and uncertainties

The Group is exposed to a number of risks and uncertainties whose outcome could impact on its financial performance, operations, regulatory compliance or corporate reputation. Some of these are generic to any commercial enterprise and others are more specific to the Group. The key risk factors that the Directors consider potentially material in nature are set out below, together with information about the mitigating actions in place.

#### *Risk management process*

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its management standards and procedures, has always aimed to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### *Acquisitions and integration*

##### **Description**

The Group expanded its network through business acquisition in past years. There is a risk of poor integration not ensuring immediate economies of scale and maximal operational efficiency.

##### **Mitigation**

Board approval is required prior to any significant transaction and appropriate financial, legal, technical and other due diligence reviews are carried out. Budgets are set for all newly acquired businesses and potential synergies are identified and tracked.

##### **Risk monitoring**

The Group monitors closely the performance against defined business plans through frequent intensive reviews to ensure alignment on the expectations set out in the original Board proposals.

#### *Technology, innovation and intellectual property*

Researching and developing new clinical procedures is complex, costly and time-consuming. There is a risk that competitors may develop new technologies, or innovative applications of existing technologies, that undermine the Group's competitive advantage.

The Group continues to invest in research and development of new technologies. The Group relies on a combination of patents, copyright, trademarks, design registrations, trade secrecy laws, confidentiality procedures and contractual provisions to protect its intellectual property rights.

The development of new products and technologies is closely monitored. Development initiatives are driven from clinical research teams, and are peer reviewed in line with regulatory requirements.



## Strategic report *(continued)*

### ***Service reputation and clinical error liability***

#### **Description**

Any factor or event that adversely affects patients' perception of the quality and reliability of the Group's services could affect its ability to maintain or increase revenue.

#### **Mitigation**

The Group's services incorporate a number of in-built clinical controls which help to substantially reduce the risk of clinical error. The Group operates rigorous quality assurance and control procedures both during and prior to delivery of its services. The Group also maintains professional indemnity and public liability insurance against liabilities to third parties.

#### **Risk monitoring**

Service quality is constantly monitored through the Group's review of clinical procedures.

### ***Funding and liquidity***

At 31 March 2023, the Group had £119 million drawn on committed facilities. There is a risk that the Group could fail to fulfil its obligations as they fall due. The Group is also exposed to interest rate risk.

Shareholder have been put in place a shareholder loan amounting to GBP14 million to support the Group during 2023. In November 2023, the Group underwent a capital restructuring project.

Robust cash forecasting and centralised cash management procedures are in place.

Cash flow forecasts are monitored weekly against actual performance.

### **Research and development information**

Several clinics within the Group have a long track record of research leadership and clinical innovations in close association with prestigious academic institutions such as Imperial College, London and Oxford University which constitute a key element of its current and future success. Research and Development costs are predominantly funded by grants received by local partners and clinicians, rather than by the Group.

### **Information on male/female partitioning of board members**

As of signing this report, the Board of Directors composed of 2 non-executive directors, both of whom are male and 4 executive directors, three female and one male.

During the financial year, the Board of Directors composed of 4 directors (one executive and three non-executives), one female and 3 male.

## Strategic report (continued)

### Events since the balance sheet date

Following initial attempts to sell the group of companies headed by the parent company Delivery I Limited (formerly TFP Fertility Holding), a lock-up agreement was entered into following the year end. As a result of this agreement, a separation agreement was signed on 20 November 2023, after which the group was reorganised into two components, NewCo and RemainCo. NewCo consists of the Group's operations within the United Kingdom, Poland and the Netherlands, whilst RemainCo consists of the German, Austrian and Danish operations, along with Group's Kuwait joint venture.

Two operating companies, TFP Kinderwunsch Wien GmbH and Ciconia Aarhus Fertilitetsklinik A/S incorporated separately in Austria and Denmark are in process to be liquidated whilst the remaining parts within RemainCo are in process of being sold.

### Environmental impact

#### Streamlined Energy & Carbon Reporting (SECR)

In accordance with new reporting requirements introduced by the UK government, the greenhouse gas (GHG) emissions and energy use by TFP Group's operations in the UK during the financial period ending 31 March 2023 are recorded in the table below and include the carbon intensity metric, total gross emissions by unit turnover/revenue (tCO<sub>2</sub>e/£M).

	2023	2022 (unaudited)
Energy consumption used to calculate emissions (kWh)		
Gas (kWh)	546,168	1,252,125
Electricity (kWh)	2,803,505	3,545,236
Emissions from combustion of gas tCO <sub>2</sub> e (Scope 1)	110.47	254.14
Emissions from purchased electricity tCO <sub>2</sub> e (Scope 2)	542.15	752.76
Total gross emissions tCO <sub>2</sub> e based on the above	652.62	1,006.90
Total gross emissions from above by unit turnover/revenue (tCO <sub>2</sub> e/£M)	7.06	10.10
Total gross Scope 1, Scope 2 & Scope 3 emissions tCO <sub>2</sub> e	652.62	1,006.90
Total gross GHG emissions per unit turnover/revenue (tCO <sub>2</sub> e/£M)	7.06	10.10

The TFP Group is committed to making all reasonable efforts to minimise the impact placed on the environment because of its business activities. As an organisation we seek to reduce the burden placed on the environment through sustainable business practices and providing sustainable products and services by regularly reviewing the environmental aspects and impacts associated with the Group's activities and monitoring environmental performance. We ensure a process of continual improvement is maintained. Non-essential air travel is discouraged throughout the business, and the holding of virtual meetings has been supported by an increase in the provision of audio and video conferencing technology at every site. All flight travel requires review and authorisation by senior management.

## Strategic report (continued)

### GHG emissions data for year ended 31 March 2023 (figures in CO2e)

	2023		2022 (unaudited)	
	UK	Non-UK	UK	Non-UK
Emissions from purchase of gas and electricity for offices	341.94	310.67	725.53	281.38
Business travel				
<b>Total emissions by location</b>	<b>341.94</b>	<b>310.67</b>	<b>725.53</b>	<b>281.38</b>
<b>Total emissions for year</b>	<b>341.94</b>	<b>310.67</b>	<b>725.53</b>	<b>281.38</b>
Energy consumption used to calculate emissions – kWh (thousand)	1,764.67	1,585.00	3,456.36	1,341.00

The following table expresses our annual emissions in relation to quantifiable factors associated with our activities. Intensity ratios (tonnes of CO2e per unit).


	2023	2022 (unaudited)
Ratio of carbon emissions to total revenue (£M revenue)	7.06	10.10
Ratio of carbon emissions to operating loss (£M operating loss)	73.49	419.54
Ratio of carbon emissions to employees (average headcount)	0.75	0.96

### Future prospects

The invasion by Russia into Ukraine is having a significant impact on consumer confidence and inflation. The Group will closely monitor performance and optimise strategies to overcome and take advantage of opportunities as they arise.

### Approval

This report was approved by the Board of Directors on Dec-22-2023 and signed on its behalf by:

DocuSigned by:  
  
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**S Cummings**

*Director*

## **Directors' report**

The Directors present their annual report and the financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2023.

### **Future developments and going concern**

An indication of likely future developments in the business of the Group and an explanation of the going concern assertion are included in the Strategic Report.

### **Dividends**

The Board does not propose a dividend for the year (2022 (unaudited): £nil). The dividend policy continues to be reviewed periodically by the Board.

### **Capital structure**

Details of the issued share capital of the Company are shown in note 19, the Group's capital management in note 20 and its borrowings in note 16.

The issued share capital amounted to £79 million as at 31 March 2023. The Company has two classes of Ordinary Shares. There is no limit on the number of shares that the Company can issue. No person has any special rights of control over the Company's share capital and all issued shares have been fully paid.

The Group's borrowings of £119 million as 31 March 2023 were drawn against facilities which are committed for five years from the balance sheet date.

### **Research and development**

An indication of the Company's research and development activities is set out in the Strategic Report.

### **Directors**

The Directors who held office during the year and until the date of this report were as follows:

J Fleming  
G H Trew  
J Rohren (resigned 20/11/2023)  
J F Stromholm (resigned 20/11/2023)  
S Lawrence (appointed 20/11/2023)  
S Cummings (appointed 20/11/2023)

### **Directors' indemnities**

The Company has in place third party indemnity insurance for the benefit of the Officers and Directors of the Company and its subsidiaries. This insurance policy remains in force at the date of this report.

### **Acquisition of the Company's own shares**

The Company did not purchase any of its own shares during the year and nor has it done so up to the date of this report.

### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

## **Directors' report** *(continued)*

### **Employee consultation and engagement**

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, periodic e-mails and quarterly employee newsletters. During 2022 the UK businesses had training on supporting Mental Health in the workplace and also received training on becoming Mental Health First Aiders. The Company has also focused on raising awareness and support of mental health issues as they can impact on employees at key points in their lives.

The interests of employees are taken into account by the Board, as set out in the Section 172 statement in the Strategic Report.

### **Political and charitable contributions**

The Company contributed £25,300 to charitable organisations in the year (2022 (unaudited): £22,000). No political contributions were made (2022 (unaudited): £nil).

### **Financial risk management objectives**

Details of financial risk management objectives are set out in note 20.

### **Supplier payment policy**

The Group's standard payment terms range from 7 up to 30 days and have not changed during the reporting period. Any disputes with suppliers are resolved after communication between parties to identify the matters in contention. The average number of days taken to make payments in the reporting period has ranged from 7 to 40 days, depending on payment terms.

### **Diversity**

The Board recognises the value of diversity both in its own membership and within the Company's wider employee base. Whilst the Board believes that the market sectors in which the Company operates are such that gender diversity in Board membership would not, of itself, bring specific benefits or insights, as a matter of policy the Board believes that the search for new Board candidates should be conducted, and, when required, appointments made, on merit, against objective criteria and with due regard for the benefits that diversity, including gender diversity, could provide. Clinics have in place appropriate policies in relation to equal opportunities in the workplace. Appointments, rewards and advancement in the Company's wider employee base are also based on merit. As a matter of principle, the Board does not accept discrimination against, or in favour of, any individual or group of individuals. Diversity, as with other management policies, is under regular review.

### **Auditor**

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

During the year, MHA MacIntyre Hudson were appointed statutory auditors.

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA.

Under section 487(2) of the Companies Act 2006, MHA will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

By order of the Board on Dec-22-2023

*Susan Cummings*  
**S Cummings**  
Director

Institute Of Reproductive Sciences Alec Issigonis Way, Oxford Business Park North, Oxford, OX4 2HW

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the UK (IFRSs as adopted by the UK) and applicable law and have elected to prepare the parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework applicable in the UK and Republic of Ireland.

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 group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the UK;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of TFP Fertility Group Limited**

### **Opinion**

We have audited the financial statements of TFP Fertility Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards as adopted by the United Kingdom (UK adopted IFRS). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's result for the year then ended;
- The Group financial statements have been properly prepared in accordance with UK adopted IFRS;
- The Parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements 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 Group and Parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **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 contained within the Annual Report. Our opinion on the financial statements does not cover the other

## **Independent auditor's report to the members of TFP Fertility Group Limited** *(continued)*

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 Statement of Directors' Responsibilities set out on page 11, 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 Group's and the Parent 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 director either intends to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.



## **Independent auditor's report to the members of TFP Fertility Group Limited** *(continued)*

### **Auditor 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of entity staff in finance and compliance functions to identify any instances of non-compliance with laws and regulations;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Review of Board Minutes for consistency to supporting evidence supplied;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, and;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### **Other matters**

The comparative financial statements were unaudited.

**Independent auditor's report to the members of TFP Fertility Group Limited**  
*(continued)*

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Mitchell MBA BSc FCA (Senior statutory auditor)

for and on behalf of  
**MHA**, Statutory Auditors

Maidenhead, United Kingdom  
Date: 22 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

**Consolidated Income Statement**  
*for year ended 31 March 2023*

	<i>Note</i>	<b>2023</b> £000	2022 (unaudited) £000
<b>Revenue</b>	<b>4</b>	<b>92,410</b>	99,663
Cost of sales		(58,842)	(55,450)
<b>Gross profit</b>		<b>33,568</b>	44,213
Other operating income		1,323	1,450
Administrative expenses		(41,817)	(38,522)
Other operating expenses		(9,624)	(10,007)
<b>Operating loss</b>		<b>(16,550)</b>	(2,866)
Finance income		2,777	1,371
Finance expenses		(14,851)	(11,764)
<b>Net financing expenses</b>	<b>7</b>	<b>(12,074)</b>	(10,393)
<b>Loss before tax</b>		<b>(28,624)</b>	(13,258)
Taxation	<b>8</b>	1,162	550
<b>Loss for the year from continuing operations</b>		<b>(27,462)</b>	(12,708)
<b>Attributable to:</b>			
Equity holders of the parent		(27,625)	(13,993)
Non-controlling interest	<b>11</b>	163	1,285
<b>Loss for the year</b>		<b>(27,462)</b>	(12,708)

The accompanying notes form part of these financial statements.

**Consolidated Statement of Comprehensive Income**  
*for year ended 31 March 2023*

	<i>Note</i>	<b>2023</b>	2022
		<b>£000</b>	(unaudited) £000
<b>Loss for the year</b>		<b>(27,462)</b>	(12,708)
<b>Other comprehensive expense</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences – foreign operations		<u>319</u>	<u>(620)</u>
<b>Other comprehensive expense for the year, net of income tax</b>			
		<u>319</u>	<u>(620)</u>
<b>Total comprehensive expense for the year</b>		<b><u>(27,143)</u></b>	<b><u>(13,328)</u></b>
<b>Attributable to:</b>			
Equity holders of the parent		(27,325)	(14,603)
Non-controlling interest		<u>182</u>	<u>1,275</u>
		<b><u>(27,143)</u></b>	<b><u>(13,328)</u></b>

The accompanying notes form part of these financial statements.


**Consolidated Balance Sheet**  
*at 31 March 2023*

	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>(unaudited) £000</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	32,325	35,308
Intangible assets	10	113,289	122,101
Other financial assets		100	100
		<hr/>	<hr/>
		<b>145,714</b>	<b>157,509</b>
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories	13	2,559	2,180
Tax receivable		1,029	2,540
Trade and other receivables	14	14,288	12,648
Other financial assets		-	42
Cash and cash equivalents	15	7,637	8,078
		<hr/>	<hr/>
		<b>25,513</b>	<b>25,488</b>
		<hr/>	<hr/>
<b>Total assets</b>		<b>171,227</b>	<b>182,997</b>
		<hr/>	<hr/>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	16	101	95
Trade and other payables	17	14,796	13,875
Lease liabilities	21	4,241	4,779
Tax payable		213	2,537
Contract liabilities	4	7,830	7,791
Provisions	18	995	1,536
Other financial liabilities	16	28,892	15,876
		<hr/>	<hr/>
		<b>57,068</b>	<b>46,489</b>
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	16	119,430	112,199
Lease liabilities	21	18,742	20,604
Deferred tax liabilities	12	4,185	3,707
		<hr/>	<hr/>
		<b>142,357</b>	<b>136,510</b>
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>199,425</b>	<b>182,999</b>
		<hr/>	<hr/>
<b>Net assets/ (liabilities)</b>		<b>(28,198)</b>	<b>(2)</b>
		<hr/>	<hr/>

**Consolidated Balance Sheet (continued)**  
**at 31 March 2023**

		2023	2022
		£000	(unaudited) £000
<b>Equity attributable to equity holders of the parent</b>			
Share capital	19	731	731
Share premium	19	79,335	79,335
Currency translation reserve		(1,246)	(1,546)
Retained earnings		(109,766)	(82,384)
		<hr/>	<hr/>
<b>Non-controlling interest</b>	11	(30,946) 2,748	(3,864) 3,862
		<hr/>	<hr/>
<b>Total equity</b>		<b>(28,198)</b>	<b>(2)</b>

The accompanying notes on pages 22 to 76 form an integral part of the financial statements. These financial statements were approved by the board of directors on Dec-22-2023 and were signed on its behalf by:

DocuSigned by:  
  
E2E72AAG51434EF

**S Cummings**  
Director

Institute Of Reproductive Sciences Alec Issigonis Way, Oxford Business Park North, Oxford, OX4 2HW  
Company registered number: 11876438

## Consolidated Statement of Changes in Equity

	Share capital £000	Share premium £000	Translation reserve £000	Retained earnings £000	Total parent equity £000	Non-controlling interest £000	Total Equity £000
Balance at 31 March 2021 (unaudited)	731	72,324	(935)	(65,538)	6,582	1,506	8,088
<b>Total comprehensive income for the period</b>							
Profit or loss	-	-	-	(13,993)	(13,993)	1,285	(12,708)
Other comprehensive income	-	-	(610)	-	(610)	(10)	(620)
Total comprehensive income for the period	-	-	(610)	(13,993)	(14,603)	1,275	(13,328)
<b>Transactions with owners</b>							
Issue of shares	-	7,011	-	-	7,011	-	7,011
Acquisition of subsidiaries	-	-	-	(1,288)	(1,288)	1091	(197)
Increase of interest in a subsidiary	-	-	-	(1,566)	(1,566)	(10)	(1,576)
Total transactions with owners	-	7,011	-	(2,854)	4,157	1,081	5,238
Balance at 31 March 2022 (unaudited)	731	79,335	(1,545)	(82,385)	(3,864)	3,862	(2)
<b>Total comprehensive income for the period</b>							
Profit or loss	-	-	-	(27,625)	(27,625)	163	(27,462)
Other comprehensive income	-	-	300	-	300	19	319
Total comprehensive income for the year	-	-	300	(27,625)	(27,325)	182	(27,143)
<b>Transactions with owners</b>							
Issue of shares	-	-	-	-	-	-	-
Acquisition of interest from NCI	-	-	-	339	339	(1,158)	(819)
Increase of interest in a subsidiary	-	-	-	(96)	(96)	206	110
Dividend	-	-	-	-	-	(344)	(344)
Total transactions with owners	-	-	-	243	243	(1,296)	(1,053)
<b>Balance at 31 March 2023</b>	<b>731</b>	<b>79,335</b>	<b>(1,246)</b>	<b>(109,766)</b>	<b>(30,946)</b>	<b>2,748</b>	<b>(28,198)</b>

**Consolidated Cash Flow Statement**  
**for the year ended 31 March 2023**

	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>(unaudited) £000</b>
<b>Cash flows from operating activities</b>			
Operating loss		(16,550)	(2,865)
Adjustments for:			
Depreciation		7,184	7,155
Amortisation		6,829	2,935
Loss on disposal of assets		481	66
Impairment		4,819	9,322
Other non-cash items		91	161
		<b>2,854</b>	<b>16,774</b>
(Increase)/decrease in trade and other receivables		(1,426)	121
Decrease in inventories		(379)	(279)
Increase in trade and other payables and provisions		353	611
		<b>1,402</b>	<b>17,227</b>
Interest received		38	62
Interest paid		(9,961)	(8,688)
Tax refund/ (paid)		729	654
<b>Net cash from operating activities</b>		<b>(7,792)</b>	<b>9,255</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary, net of cash acquired	3	-	(5,316)
Acquisition of minority interest		(819)	-
Acquisition of property, plant and equipment		(3,875)	(3,742)
Acquisition of other intangible assets		-	(124)
Proceeds from disposal of fixed assets		-	156
Receipt of cash from loans		-	617
<b>Net cash from investing activities</b>		<b>(4,694)</b>	<b>(8,409)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	19	-	7,011
Proceeds from new borrowings	16	2,849	8,714
Repayment of borrowings	16	13,056	(16,435)
Payment of lease liabilities	16	(3,729)	(3,127)
Dividends paid to minorities		(344)	-
Proceeds from new shareholder loans		-	3,251
<b>Net cash from financing activities</b>		<b>11,832</b>	<b>(586)</b>
		<b>(654)</b>	<b>261</b>
Net (decrease)/increase in cash and cash equivalents		<b>8,078</b>	<b>7,862</b>
Cash and cash equivalents at start of period		213	(40)
Effect of exchange rate fluctuations on cash held			
<b>Cash and cash equivalents at 31 March</b>	15	<b>7,637</b>	<b>8,083</b>

The accompanying notes form part of these financial statements.



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

TFP Fertility Group Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 11875195 and the registered office is Institute of Reproductive Sciences, Alec Issigonis Way, Oxford Business Park North, Oxford OX4 2HW.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The parent company financial statements present information about the Company as a separate entity and not about its group.

The group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board (“IASB”) as adopted by the United Kingdom (collectively “UK-adopted IFRS”). The Company has elected to prepare its parent company financial statements in accordance with FRS 101.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

#### 1.1 Basis of preparation

The financial statements are prepared on the historical cost basis, except that derivative financial instruments are measured at fair value.

The Company was incorporated on 11 March 2019. These are the fourth set of consolidated accounts prepared by the Company.

#### 1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

A separation agreement was signed on 20 November 2023, after which the group was reorganised into two components, NewCo and RemainCo. NewCo consists of the Group’s operations within the United Kingdom, Poland and the Netherlands, whilst RemainCo consists of the German, Austrian and Danish operations, along with Group’s newly formed joint venture in Kuwait. Post the separation agreement, TFP Fertility Group Limited represents the NewCo component.

The Group’s trading operations in the United Kingdom, Poland and the Netherlands, now headed by TFP Fertility Group Limited, continue as a going concern in their own right. The consolidated financial statements of TFP Fertility Group Limited for the year ended 31 March 2023 have therefore been prepared on a going concern basis. Following this group reorganisation, the remaining parts of the Group in Germany, Austria and Denmark will be sold.

The Group has prepared its “base case” cashflow forecast at clinic level to 31 March 2024. The Group prepared long term cashflow forecast for the NewCo to ensure the working capital of operations within the United Kingdom, Poland and Netherlands are balanced. Underpinning the cash flows are detailed clinic level profit and loss accounts as well as workings for loans and working capital. Prudent assumptions have been taken to transform accrual accounting into cash accounting. The forecast P&L is considering high inflation on top of the historic seasonal profile of the business and growth assumptions have been taken from the latest TFP Group planning exercise (December 2023). After the restructuring, the shareholders loans will be capitalised or repaid. The debt-to-equity ratio has been significantly reduced post reorganisation.

The Group has also performed sensitivity analysis on the cashflow forecast and taking into consideration delayed improvement of activity volumes and additional inflation, we do not foresee additional funding requirements in NewCo beyond the forecast.

## **Notes (continued)**

### **Accounting policies (continued)**

#### **1.2 Going concern (continued)**

The Directors are confident that the company will have sufficient funds to continue to meet its liabilities for the foreseeable future and therefore prepared the financial statements on a going concern basis.

#### **1.3 Basis of consolidation**

##### *Business combinations*

Except for a combination of entities or business under common control, the Group accounts for acquisition of subsidiaries using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 1.5(b)). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The financial statements of the combining entities or businesses under common control are included in the consolidated financial statements from the date that the Group's control commences until the date that control ceases. The net assets of the combining entities or business are combined using the existing book value at the date of control being transferred from the controlling parties' perspective. Transaction costs are expensed as incurred. Difference between the consideration paid by the Group and the book value of the combining entities or business are recognised in equity.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

##### *Transactions with minority interests*

The Group applies a policy of treating transactions in connection with equity interests in subsidiaries with minority interests as transactions with equity participants of the Company. Gains and losses for the Group resulting from disposals of equity interests in subsidiaries to minority interests are recorded in the Company's equity. Difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary resulting from purchases from minority interests are recorded in the Company's equity.

##### *Change in subsidiary ownership and loss of control*

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognised along with any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### *Transactions eliminated on consolidation*

Transactions eliminated on consolidation Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the FCTR, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Financial instruments

##### a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

##### b) Classification and subsequent measurement

###### Financial assets

###### (a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment.

###### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

###### (b) Subsequent measurement and gains and losses

**Financial assets at FVTPL** - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Financial instruments (continued)

##### (b) Classification and subsequent measurement (continued)

*Financial assets at amortised cost* - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

*Debt investments at FVOCI* - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

*Equity investments at FVOCI* - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

##### **Financial liabilities and equity**

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

##### *Intra-group financial instruments*

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

##### **Derivative financial instruments and hedging**

###### *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Financial instruments (continued)

##### Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

##### Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Property, plant and equipment

##### *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

##### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

##### *Depreciation*

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of significant items of property, plant and equipment are as follows:

- Leasehold property: Lower of 10 years or length of lease.
- Medical equipment: 4-5 years.
- Fixtures and fittings: 4-5 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.7 Business combinations

##### (a) Intangible assets and goodwill

###### *Goodwill*

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the 'acquisition date'). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the income statement as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from synergies arising from the combination. Cash generating units to which goodwill has been attributed under IFRS 3 'Business Combinations' are tested for impairment 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. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in determining profit or loss on disposal.

###### *Other intangible assets*

Other intangible assets that are acquired by the Group and have varying useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses. The directors have assessed the expected useful life of each class of intangible asset based on their expectation of that asset's useful life in the context of the business.

###### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

###### *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised. The estimated useful lives are as follows:

- Brand names and trademarks: 10 to 15 years.
- Referral relationships: 8 years.
- Licences: 3 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.8 Business combinations (continued)

##### *(b) Impairment of non-financial assets excluding inventories and deferred tax assets*

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the selling price less estimated costs of completion and the estimated costs necessary to make the sale.

Clinical supplies are stated at purchase cost using the weighted average method.

Work in progress is stated at cost of direct labour and a proportion of manufacturing overheads.

#### 1.9 Employee benefits

##### *(a) Short-term employee benefits*

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

##### *(b) Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.10 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### 1.11 Revenue

The core principle in IFRS 15 is that a vendor should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the vendor expects to be entitled in exchange for those goods or services. Revenue will now be recognised by a vendor when or as control over the goods or services is transferred to the customer.

The application of the core principle in IFRS 15 is carried out in five steps:

The first step is to identify the contract(s) with the customer. Whatever the form, a contract creates enforceable rights and obligations between a vendor and its customer.

After identifying the contract(s) with the customer, a vendor identifies the 'performance obligations'. A performance obligation is a promise by the vendor to transfer goods or services to a customer. Each performance obligation is 'distinct', being either a good or service from which the customer can benefit on its own (or in combination with other readily available goods and services); two or more distinct goods and services (such as the supply of construction material and labour) are combined if, in reality, they represent one overall obligation.

In the third and fourth steps, a vendor determines the transaction price of the entire contract and then allocates the transaction price among the different performance obligations that have been identified.

In the fifth step, a vendor assesses when it satisfies each performance obligation (which may be at a point in time, or over time) and recognises revenue. The principle is based around the point at which the customer obtains control of the good or service.

#### *Diagnostics and fertility treatments*

The Group generates income from fees receivable from the operation of its healthcare centres. The Group generates income from Diagnostics (cycle monitoring, immunology, sperm analysis, pre-implantation genetic diagnosis, chromosomal abnormalities screening, hormone treatment and ultrasound scanning services), treatments (insemination, in vitro fertilisation, sperm donation) and storage contracts. Revenues are recognised in the period in which services are provided: see note 2 for related judgements. These revenues are stated net of value added taxation and other sales taxes, rebates and discounts. The Group's business is characterised by medical services provided to clients and the patient typically receives the treatment by the Group and simultaneously consumes the benefits of the service provided. According to IFRS 15, the Group recognises revenue generally according to an Output method ('services delivered' respectively 'milestones reached'). Every treatment step generally represents a milestone achieved and therefore, revenue could be recognised accordingly. These services are invoiced and revenue is recognised at the point of the time after certain aggregated milestones are achieved according to IFRS 15.

TFP provides cryogenic freezing and storage services. Revenue for the provision of the storage services is recognised on a straight-line basis over the storage term. Therefore, IFRS 15.35(a) is applicable and the Group recognises corresponding revenues over time.

## Notes (continued)

### 1. Accounting policies (continued)

#### 1.11 Revenue (continued)

##### Financing income and expenses

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- exchange gains and losses on retranslation of intercompany loans and external borrowings; and
- dividend income.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

#### 1.12 Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

##### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

##### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the local tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets and liabilities and
- the deferred tax liabilities and assets relate to income taxes levied by the same tax authority on either
  - the same taxable entity or
  - different taxable entities, but these entities intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously for each future period in which these differences reverse.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.13 Leases

##### *As a lessee*

The Group mainly leases buildings, office and technical equipment and vehicles. Rental contracts are typically made for fixed periods, but may have extension options or have an indefinite lease term.

At the commencement date of a lease, the Group recognises a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group recognises interest expense on the lease liability and depreciation expense on the right-of-use asset. The right-of-use assets are presented in the balance sheet under property plant and equipment.

Contracts may contain both lease and non-lease components. In case of vehicles the Group elected not to separate lease and non-lease components and instead to account for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options including cancellable indefinite lease term contracts are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For the calculation of costs of debt, the Group derived the yield curves using the peer group rating (BB). These market derived yield curves were used for extrapolation of the specific yields of the existing senior term loan for a maturity of 7 years.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Short-term leases are leases with a lease term of 12 months or less. The Group recognises for all short-term leases a right-of-use asset.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.13 Leases (continued)

The exemption to recognise payments, which are associated with leases of low-value assets, on a straight-line basis as an expense in profit or loss, is applied by the Group on a lease-by-lease basis.

Assets that qualify as low-value items include but are not limited to the following assets:

- Office equipment;
- Notebooks and tablets;
- Copiers, fax machines; and
- Coffee machines and water dispensers

Extension and termination options are included in leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

#### *Lease acquired in a business combination*

For leases acquired in a business combination, the Group measures the acquired lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at acquisition at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Lease liability and associated right-of-use assets acquired in a business combination for which the lease term ends within 12 months of the acquisition date or leases for which the underlying asset value is low are not recognised.

#### 1.14 Government grants

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs is recognised in profit and loss in the period in which it becomes receivable. Such grants are presented as reductions to the underlying expense line.

## Notes (continued)

### 2 Accounting estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- **Revenue recognition:** In making its judgement, management considered the detailed criteria for the recognition of revenue set out in IFRS 15. Management is satisfied that the customer obtains control of the promised service and that the recognition of revenue upon egg collection is appropriate.
- **Initial recognition and valuation of intangible assets acquired in a business combination:** For the initial measurement of identified intangible assets acquired in a business combination, valuation methodologies based on discounted cash flow (DCF) models were used, as there is a lack of comparable market data because of the nature of the assets. The key assumptions used to determine the fair value of the acquired intangible assets are provided in note 3.
- **Impairment of goodwill and other intangible assets:** Determining whether goodwill and other intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires an entity to estimate the future cash flows expected to arise from the cash-generating unit and determine a suitable discount rate in order to calculate present value. Further details are given in note 10. Significant judgement was applied in determining the cash generating units to which goodwill was allocated.
- **Valuation of lease liabilities and right of use assets:** For the initial measurement of the lease liabilities and the related right of use assets, valuation methodologies based on discounted cash flow ("DCF") models were used. The key assumptions used, including the incremental borrowing rate and the determination of the lease term, are explained in note 1.13.

## Notes (continued)

### 3 Acquisitions of subsidiaries

#### *Acquisitions in the current period*

On 9 February 2023 the Company purchase 28.9% of Delivery Fertility DK I ApS ("Danfert Group") for DKK 1,303,000 (£148,000) from an entity under common control. Danfert Group became a wholly owned subsidiary of the Company after the transaction completed. The residual amount between cash consideration and net assets acquired amounted to £881,000 and was recorded in the movement of Owner's Equity and Non-Controlling Interest. The consolidated statement of comprehensive income includes total revenue of £1,410,000 and operating profit of £624,000 for the year 2023 contributed by the Danfert Group.

On 10 August 2022, Simply Fertility Limited became the Company's fully owned subsidiary after the Group purchased the remaining 6.26% interest from a minority shareholder. Cash consideration was £671,000 and the company had £2,109,000 of net assets on acquisition date. The residual amount between cash consideration and net assets acquired amounted to £542,000 and was recorded in the movement of Owner's Equity and Non-Controlling Interest. The consolidated statement of comprehensive income includes total revenue of £4,136,000 and operating profit of £447,000 for the year 2023 contributed by Simply Fertility Limited.

#### *Acquisitions in the prior period*

On 5 May 2021 the Company exercised the call option contract to acquire 71.1% of Danfert Group for DKK 34.6 million (£4.0 million) from an entity under common control. Danfert Group owns the Dansk Fertilitetsklinik ApS Group, which operates a fertility clinic in Frederiksberg, Denmark and has a strong scientific profile with strong reputation in the fertility industry ensuring attraction of highly qualified staff and high patient inflow from referrals. The acquisition creates synergy effects on productivity, enlarges the range of services and generates economies of scale in the region.

The acquisition of Danfert Group has been included in the financial statement using book value method, as prescribed in note 1.3 business combination. Acquisition related costs of £71,000 are included in administration expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows. The Financial Information includes the financial position, results and cash flows of the companies comprising the Group since the acquisition date. The consolidated statement of comprehensive income includes total revenue of £1,924,000 and operating profit of £237,000 for the year 2022 contributed by the Danfert Group.

#### *Effect on the Group's assets and liabilities*

The book values of Danfert Group's identifiable assets and liabilities as at the date of inclusion on 5 May 2021 in the consolidation were as follows:

	£000
Property, plant and equipment	205
Intangible assets	7,264
Deferred tax assets	90
Financial assets	122
Trade and other receivables	138
Cash and cash equivalents	514
Deferred tax liabilities	(127)
Lease liabilities non-current	(92)
Interest bearing loans and borrowings non-current	(3,483)
lease liabilities current	(32)
Trade and other payables	(834)
<b>Net identifiable assets</b>	<b>3,765</b>
Non-controlling interest	(1,092)
Movement in parent equity	1,288
<b>Consideration transferred</b>	<b>3,961</b>

## Notes (continued)

### 3. Acquisitions in the prior period (continued)

On 31 January 2022, the Group acquired further 3.74% interest (represents 15% of the control rights) in Simply Fertility Limited. Cash consideration was £1,608,000 and the company had £1,093,000 of net assets on acquisition. The residual amount between cash consideration and net assets acquired amounted to £1,566,000 and was recorded in the movement of Owner's Equity and Non-Controlling Interest. The consolidated statement of comprehensive income includes total revenue of £4,543,000 and operating profit of £1,198,000 for the year 2022 contributed by Simply Fertility Limited.

On 1 January 2022, the Group acquired 100% interest of a gynaecological medical practice in Wiesbaden Germany that owns a license which enables billing with the statutory health insurance funds. The new clinic brings in a new business opportunity to expand the customer base from private to patients under national insurance funds. Cash consideration was £256,000 (€300,000). Intangible asset of the license is booked at a fair value of was £256,000 (€300,000). Fair value of both lease liabilities and right of use of assets are £33,500 are recorded at the date of acquisition. No other intangible assets were identified other than the license stated above. For the 3 months ended 31 March 2022, the clinic contributes revenue of £206,000 and net profit £12,000 to the Group.

### 4 Revenue from contracts with customers

#### (i) Disaggregation of revenue

The Group's revenue is derived from its main business activity, IVF treatment, ultrasound scanning services and a pre-implantation genetics testing laboratory. In the following table, revenue is disaggregated by primary geographical market and timing of revenue recognition. No single customer is material to the Group's trading.

	2023 £000	2022 (unaudited) £000
<b>Primary geographical markets</b>		
United Kingdom	51,839	55,547
Germany	16,308	17,723
Austria	6,770	6,816
Denmark	6,646	8,179
The Netherlands	6,738	7,074
Poland	4,109	4,324
<b>Total</b>	<b>92,410</b>	<b>99,663</b>
<b>Timing of transfer of goods or services</b>		
Products and services transferred at a point in time	84,428	92,735
Products and services transferred over time	7,982	6,928
<b>Total</b>	<b>92,410</b>	<b>99,663</b>



**Notes** *(continued)*

**4 Revenue from contracts with customers** *(continued)*

**(ii) Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	<i>Note</i>	<b>2023</b>	2022
		<b>£000</b>	(unaudited) £000
Receivables	<i>14</i>	<b>7,459</b>	7,777
Contract liabilities		<b>(7,830)</b>	(7,791)

The contract liabilities mainly relate to consideration received from customers for storage contracts in the UK and courses of treatment in Denmark.

Significant changes in the contract liabilities balance during the period are as follows:

	<b>2023</b>	2022
	<b>£000</b>	(unaudited) £000
At the beginning of the year	<b>7,791</b>	7,403
Arising on acquisition	<b>-</b>	516
Advance payments received	<b>27,182</b>	25,728
Revenue recognised from opening balance	<b>(7,027)</b>	(7,664)
Advance payments recognised as revenue in the year	<b>(20,033)</b>	(18,174)
Currency translation	<b>(83)</b>	(18)
At the end of the year	<b>7,830</b>	7,791

The performance obligations to which deferred revenue relates will be satisfied within one year of the reporting date.

## Notes (continued)

### 5 Expenses and auditors' remuneration

*Included in profit/loss are the following:*

	2023	2022 (unaudited)
	£000	£000
Impairment loss on goodwill	3,661	5,827
Impairment loss on acquired intangible assets	171	2,191
Impairment loss on property, plant and equipment	987	1,304
	<u>5,619</u>	<u>9,322</u>

Amounts included in non-recurring project expenses mainly related to legal, professional and consulting fees.

In the year ended 31 March 2022, impairment charges were recorded against goodwill, intangibles and property plant and equipment allocated against two German CGUs whose future value in use was forecast to be below the carrying amount.

*Auditor's remuneration:*

	2023	2022 (unaudited)
	£000	£000
Audit of these financial statements	294	314
Audit of financial statements of subsidiaries of the company	65	72
	<u>359</u>	<u>386</u>

### 6 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2023	2022 (unaudited)
Medical	102	82
Nursing	200	241
Laboratory	383	397
Administration	365	325
	<u>1,050</u>	<u>1,045</u>

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	40,659	39,326
Social security costs	5,025	4,787
Contributions to defined contribution pension plans	2,370	2,156
Other personnel expenses	191	148
	<u>48,245</u>	<u>46,417</u>

## Notes (continued)

### 7 Net financing expense

#### Recognised in profit or loss

	2023	2022
	£000	(unaudited) £000
Foreign exchange gains	(2,739)	(1,167)
Change in fair value of derivative financial instrument	-	(142)
Other Interest	(38)	(63)
Finance income	(2,777)	(1,372)
Foreign exchange losses	1,531	339
Interest expense on overdrafts and loans	10,967	8,765
Interest expense on lease liabilities	1,715	1,608
Other finance costs	590	944
Change in fair value of derivative financial instrument	(1)	-
Other interest	49	109
Finance expenses	14,851	11,765
Net finance expenses	12,074	10,393

### 8 Taxation

#### Recognised in the income statement

	2023	2022
	£000	(unaudited) £000
<i>Current tax charge/(credit):</i>		
Current year	(276)	1,155
Adjustments for prior years	(1,300)	(941)
Current tax charge	(1,576)	214
<i>Deferred tax charge/(credit):</i>		
Origination and reversal of temporary differences	188	(1,061)
Reduction in tax rate	-	759
Recognition of previously unrecognised deferred tax assets	-	(880)
Adjustments for prior years	226	418
Deferred tax credit	414	(764)
Total tax credit	(1,162)	(550)

The applicable Group tax rate is 19% (2022: 19%) of the estimated taxable profit for the period in the income statement for the Group and represents the applicable tax rate in the United Kingdom, where the parent company as well as a significant number of subsidiaries are located. For the group's overseas subsidiaries, tax rates between 19% (Poland and The Netherlands) and 32% (Germany) apply.

## 8. Taxation *(continued)*

### Reconciliation of effective tax rate

	2023	2022
		(unaudited)
	£000	£000
Loss before tax from continuing operations	(28,623)	(13,260)
Tax using the UK corporation tax rate of 19% (2022: 19%)	(5,441)	(2,519)
Non-deductible expenses	3,311	2,080
Super deduction	(62)	-
Tax losses and other temporary difference where deferred tax not provided	2,150	1,265
Utilisation of brought forward tax losses where losses previously not provided	(1)	(540)
Recognition of previously unrecognised deferred tax asset	-	(880)
Effect of tax rates in foreign jurisdictions	(45)	(196)
Effect of changes in tax rates	(38)	759
Prior year deferred tax	226	418
Prior year current tax	(1,300)	(941)
Other	38	4
Total tax credit	(1,162)	(550)

The non-deductible expenses mainly relate to the impairment of goodwill and to borrowing costs subject to the corporate interest restriction rules in the UK (2022: acquisition costs and to borrowing costs subject to the corporate interest restriction rules in the UK).

The unrecognised deferred taxes mainly related to tax losses carried forward in Germany which were not expected to be relieved against future profits in the next five years.

#### *Factors that may affect future tax changes*

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. UK deferred tax assets and liabilities at 31 March 2022 have been measured using these newly enacted tax rates.

Notes (continued)

9 Property, plant and equipment

	Freehold land and buildings £000	Machinery and equipment £000	Construction in progress £000	Total owned assets £000	Land and buildings £000	Machinery & equipment £000	Total right- of-use assets £000	Total PPE £000
<b>Cost</b>								
Balance at 31 March 2021 (unaudited)	8,459	10,219	474	19,152	29,072	1,412	30,484	49,636
Additions	181	1,339	2,487	4,007	3,966	343	4,309	8,316
Disposals	(52)	(428)	(5)	(485)	(204)	-	(204)	(689)
Business Combination	-	224	-	224	141	-	141	365
Reclassifications	18	187	(45)	160	-	(160)	(160)	-
Currency translation	(32)	(69)	(21)	(122)	(112)	(5)	(117)	(239)
Balance at 31 March 2022 (unaudited)	8,574	11,472	2,890	22,936	32,862	1,590	34,452	57,388
Additions	110	2,100	946	3,156	1,586	218	1,804	4,960
Disposals	-	(924)	-	(924)	(186)	(24)	(210)	(1,134)
Reclassifications	28	3,025	(2,992)	61	(33)	33	-	61
Currency translation	117	332	68	517	529	18	547	1,064
<b>Balance at 31 March 2023</b>	<b>8,829</b>	<b>16,005</b>	<b>912</b>	<b>25,746</b>	<b>34,758</b>	<b>1,835</b>	<b>36,593</b>	<b>62,339</b>
<b>Depreciation and impairment</b>								
Balance at 31 March 2021 (unaudited)	2,703	4,090	-	6,793	6,817	547	7,364	14,157
Depreciation charge for the year	959	1,978	-	2,937	3,863	355	4,218	7,155
Impairment	-	-	-	-	1,304	-	1,304	1,304
Disposals	(9)	(253)	-	(262)	(205)	-	(205)	(467)
Business combination	-	-	-	-	19	-	19	19
Reclassifications	-	127	-	127	-	(127)	(127)	-
Currency translation	(11)	(30)	-	(41)	(44)	(3)	(47)	(88)
Balance at 31 March 2022 (unaudited)	3,642	5,912	-	9,554	11,754	772	12,526	22,080
Depreciation charge for the year	947	1,921	-	2,868	3,905	411	4,316	7,184
Impairment	469	108	-	577	410	-	410	987
Disposals	-	(653)	-	(653)	-	-	-	(653)
Reclassifications	-	12	-	12	-	-	-	12
Currency translation	51	107	-	158	237	9	246	404
<b>Balance at 31 March 2023</b>	<b>5,109</b>	<b>7,407</b>	<b>-</b>	<b>12,516</b>	<b>16,306</b>	<b>1,192</b>	<b>17,498</b>	<b>30,814</b>
<b>Net book value Balance at 31 March 2023</b>	<b>3,720</b>	<b>8,598</b>	<b>912</b>	<b>13,230</b>	<b>18,452</b>	<b>643</b>	<b>19,095</b>	<b>32,325</b>
Net book value balance at 31 March 2022 (unaudited)	4,932	5,560	2,890	13,382	21,108	818	21,926	35,308

## Notes (continued)

Right-of-use assets include £252,000 (2022 (unaudited): £393,000) secured against finance obligations.

### 10 Intangible assets

	Goodwill £000	Brand name and trade- marks £000	Licenses £000	Other £000	Total £000
<b>Cost</b>					
Balance at 1 April 2021 (unaudited)	101,256	58,332	323	1,371	161,282
Acquisitions through business combinations	6,096	1,228	-	256	7,580
Additions	45	-	4	13	62
Disposals	-	-	-	(73)	(73)
Currency translation	(428)	(336)	(2)	(7)	(773)
<b>Balance at 31 March 2022 (unaudited)</b>	<b>106,969</b>	<b>59,224</b>	<b>325</b>	<b>1,560</b>	<b>168,078</b>
Acquisitions through business combinations	-	-	-	-	-
Additions	-	-	3	67	70
Disposals	-	-	-	-	-
Reclassifications	(49)	-	-	-	(49)
Currency translation	1,396	1,608	12	17	3,033
<b>Balance at 31 March 2023</b>	<b>108,316</b>	<b>60,832</b>	<b>340</b>	<b>1,644</b>	<b>171,132</b>
<b>Amortisation and impairment</b>					
Balance at 1 April 2021 (unaudited)	7,058	27,612	207	509	35,386
Amortisation for the year	-	2,587	60	288	2,935
Disposals	-	-	-	(73)	(73)
Reclassifications	-	54	-	-	54
Currency translation	(109)	(247)	(8)	21	(343)
Impairment	5,827	2,191	-	-	8,018
<b>Balance at 31 March 2022 (unaudited)</b>	<b>12,776</b>	<b>32,197</b>	<b>259</b>	<b>745</b>	<b>45,977</b>
Amortisation for the year	-	6,591	9	147	6,747
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
Currency translation	68	1,244	9	34	1,355
Impairment	3,593	171	-	-	3,764
<b>Balance at 31 March 2023</b>	<b>16,437</b>	<b>40,203</b>	<b>277</b>	<b>926</b>	<b>57,843</b>
<b>Net book value</b>					
<b>At 31 March 2023</b>	<b>91,879</b>	<b>20,629</b>	<b>63</b>	<b>718</b>	<b>113,289</b>
<b>At 31 March 2022 (unaudited)</b>	<b>94,193</b>	<b>27,027</b>	<b>66</b>	<b>815</b>	<b>122,101</b>

#### Amortisation charge

The amortisation charge is recognised in administrative expenses.

## Notes (continued)

### 10 Intangible assets (continued)

#### Acquired intangible assets

Brand name and trademarks comprises the TFP brand. Its remaining useful life at 31 March 2023 is 12 years.

#### Impairment testing

Under IAS 36, impairment losses are recognised where the expected recoverable amount of an asset has declined below its carrying amount. The recoverable amount is the higher amount expected from either the continued use or the disposal of the asset in question.

For the purposes of impairment testing, goodwill and brand names are allocated to the clinics, which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. Generally, each operating clinic is considered to be a cash generating unit, with the exception of some clinics that work together, such that the carrying or recoverable amount of their assets cannot be determined individually. The value in use was determined by discounting the future cash flows generated from the continuing use of subsidiaries and based on the following key assumptions:

- Cash flows were projected on actual operating results and a five-year business plan. Future cash flows beyond this date were extrapolated using the perpetuity method.
- The following assumptions were made for WACC and terminal growth rate depending on the country:

Country	After-tax WACC %	Pre-tax WACC %	Terminal growth rate %
United Kingdom	8.8	9.5	2
Poland	9.1	9.5	2
Denmark	8.9	9.5	2
Netherlands	8.8	9.5	2
Germany	8.5	9.5	2
Austria	8.8	9.5	2

The growth rate of 2 used to extrapolate cash flow projections beyond the period covered by the most recent budgets or forecasts reflects the expectations of the long-term average growth rate for the products, industries in European Union and in UK.

The following table shows the carrying amount of goodwill and acquired intangible assets net of associated deferred tax liabilities allocated to each of the CGUs:

Notes (continued)

10 Intangible assets (continued)

	2023	2023	2023	2022	2022	2022
		Acquired		(unaudited)	(unaudited)	(unaudited)
		intangible assets			Acquired	
		net of deferred			intangible assets	
	Goodwill	tax	Total	Goodwill	tax	Total
	£000	£000	£000	£000	£000	£000
Cost						
IVF Hammersmith	-	-	-	-	-	-
Oxford & Worcester	14,184	2,844	17,028	14,184	3,169	17,353
GCRM	10,474	1,844	12,318	10,474	2,023	12,497
Nurture & Burton	8,291	1,502	9,793	8,291	1,648	9,939
Simply	6,448	1,161	7,609	6,448	1,274	7,722
Wessex	8,367	1,502	9,869	8,367	1,648	10,015
Thames Valley	4,238	751	4,989	4,238	824	5,062
Belfast	5,891	1,024	6,915	5,891	1,124	7,015
Ultrasound	2,247	341	2,588	2,292	375	2,667
Denmark	2,532	266	2,798	2,433	596	3,029
Leiderdorp	-	1,087	1,087	-	1,143	1,143
Wiesbaden & Frankfurt	4,276	405	4,681	4,097	906	5,003
Berlin	-	-	-	-	-	-
Duesseldorf	6,028	869	6,897	9,034	1,942	10,976
VN Sperm Bank	882	87	969	845	194	1,039
Wels	-	-	-	-	200	200
Klagenfurt	6,360	639	6,999	6,094	1,428	7,522
Vienna	-	32	32	250	71	321
CMM	4,256	784	5,040	4,115	832	4,947
Vitrolive	1,136	214	1,350	1,099	227	1,326
Danfert	6,287	379	6,666	6,041	850	6,891
	91,897	15,731	107,628	94,193	20,474	114,667

The calculation of value in use for all clinics is most sensitive to changes in the following assumptions:

- Discount rates
- EBITDA-Margin beyond the forecast period

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The required equity capital costs are calculated using the CAPM (Capital Asset Pricing Model) from the return on a quasi-risk-free alternative investment, which is increased by a risk premium (market risk premium and beta factor). Borrowing costs were calculated on the basis of the peer group's financing situations, borrowing terms and conditions. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

EBITDA margin represents a profitability ratio that measures how much in earnings a company is generating before interest, taxes, depreciation, and amortisation, as a percentage of revenue.

The Group has carried out sensitivity analyses on the effect on the impairment test of reasonably possible changes in key assumptions. The Group assessed the effect on headroom of increasing the estimated WACC underlying the discount rates by 1%, and of reducing the estimate of long-term EBITDA margin by 2%. The table below sets out the CGUs for which impairment charges would be indicated for these sensitivities, with the base case headroom included for reference:

	Dusseldorf	Total
	£000	£000
Base case headroom	-	-
Indicated impairment charge:		
1% increase in post-tax WACC	1,716	1,716
2% reduction in terminal EBITDA margin	257	257



**Notes (continued)**

**11 Investments in subsidiaries and joint venture**

The Group and Company have the following investments in subsidiaries:

Company	Country of registration or incorporation	Principal activity	Class of shares held	Audit exemption?	Company number	Ownership	
						2023	2022 (unaudited)
Ciconia Aarhus Fertilitetsklinik A/S	Denmark	Fertility clinic	Ordinary			100.0	100.0
Stork IVF Klinik A/S	Denmark	Fertility clinic	Ordinary			100.0	100.0
TFP Fertility Denmark ApS	Denmark	Fertility clinic	Ordinary			100.0	100.0
TFP Fertility Europe GmbH	Germany	Holding company	Ordinary			100.0	100.0
MVZ TFP Rhein-Main GmbH	Germany	Fertility clinic	Ordinary			100.0	100.0
TFP Kyrobank Berlin GmbH	Germany	Fertility clinic	Ordinary			100.0	100.0
MVZ TFP Düsseldorf GmbH	Germany	Fertility clinic	Ordinary			100.0	100.0
MVZ TFP Berlin GmbH	Germany	Fertility clinic	Ordinary			100.0	100.0
MVZ VivaNeo Wiesbaden	Germany	Dormant	Ordinary			100.0	100.0
Nierenzentrum Eichstätt MVZ GmbH	Germany	Clinic	Ordinary			100.0	100.0
VivaNeo AcquiCo 1 GmbH Stuttg	Germany	Dormant	Ordinary			100.0	100.0
VivaNeo AcquiCo 2 GmbH	Germany	Dormant	Ordinary			100.0	100.0
TFP Fertility Germany GmbH	Germany	Fertility clinic	Ordinary			100.0	100.0
TFP Sperm Bank Germany GmbH	Germany	Sperm bank	Ordinary			100.0	100.0
FertiDrugs B.V.	Netherlands	Pharmacy	Ordinary	Yes		100.0	100.0
Global Fertility Netherlands B.V.	Netherlands	Holding company	Ordinary	Yes		100.0	100.0
Kinderwens Medisch Centrum B.V.	Netherlands	Fertility clinic	Ordinary			100.0	100.0
Medisch Centrum Kinderwens Holding B.V.	Netherlands	Holding company	Ordinary	Yes		100.0	100.0
Medisch Centrum Kinderwens Leiderdorp B.V.	Netherlands	Fertility clinic	Ordinary	Yes		100.0	100.0
Repin B.V.	Netherlands	Holding company	Ordinary	Yes		100.0	100.0
Stichting Medisch Centrum Kinderwens	Netherlands	Fertility clinic	Ordinary	Yes		100.0	100.0
TFP Kinderwunsch Wien GmbH	Austria	Fertility clinic	Ordinary			100.0	100.0
TFP Kinderwunsch GmbH	Austria	Fertility clinic	Ordinary			100.0	100.0
TFP Kinderwunsch Klagenfurt GmbH	Austria	Fertility clinic	Ordinary			100.0	100.0
TFP Fertility Austria GmbH	Austria	Fertility clinic	Ordinary			100.0	100.0

**Notes (continued)**

**Investments in subsidiaries and joint venture (continued)**

Company	Country of registration or incorporation	Principal activity	Class of shares held	Audit exemption?	Company number	2023	Ownership 2022 (unaudited)
Vitrolive sp. z o.o. (Ltd)	Poland	Fertility Clinic	Ordinary			85.0	85.0
Centrum Medyczne Macierzyństwo sp. z o.o. (Ltd)	Poland	Management company	Ordinary			85.0	85.0
Centrum Medyczne Macierzyństwo sp. z o.o. sp. k	Poland	Fertility clinic	Partnership			85.0	85.0
Repin Polska sp. z o.o. (Ltd)	Poland	Holding company	Ordinary			85.0	85.0
Nieruchomości - Centrum Medyczne Macierzyństwo sp. z o.o. sp. k	Poland	Property holding company	Partnership			85.0	85.0
PL TFP Fertility Katowice sp. z o.o.	Poland	Fertility Clinic	Ordinary			73.2	-
TFP Zielona Góra Sp. z o.o. (Ltd)	Poland	Fertility Clinic	Ordinary			87.5	87.5
IFS Oxford Limited	England and Wales	Dormant	Ordinary			100.0	100.0
IVF Hammersmith Limited	England and Wales	Fertility clinic	Ordinary	Yes	05361232	100.0	100.0
Oxford Fertility Limited	England and Wales	Fertility clinic	Ordinary	Yes	05311146	100.0	100.0
The Fertility Partnership Ltd	England and Wales	Management company	Ordinary	Yes	08765580	100.0	100.0
The Berkshire Clinic Limited	England and Wales	Dormant entity	Ordinary			94.8	94.8
Simply Fertility Ltd	England and Wales	Fertility clinic	Ordinary	Yes	08377409	100.0	93.7
Ultrasound Direct Limited	England and Wales	Ultrasound scanning	Ordinary	Yes	03631645	86.7	86.7
Sonoview Limited	England and Wales	Ultrasound scanning	Ordinary			60.0	60.0
Wessex Fertility Limited	England and Wales	Fertility clinic	Ordinary	Yes	04822411	84.1	84.1
Wessex Fertility Holdings Limited	England and Wales	Holding company	Ordinary	Yes	09147020	84.1	84.1
Burton IVF Ltd	England and Wales	Fertility clinic	Ordinary	Yes	08661477	80.0	80.0
Nurture LLP	England and Wales	Fertility clinic	Partnership	Yes	OC388113	80.0	80.0
Thames Valley Fertility Limited	England and Wales	Fertility clinic	Ordinary	Yes	10246386	76.0	80.0
Worcestershire Fertility Limited	England and Wales	Fertility clinic	Ordinary	Yes	10245494	51.0	51.0
GCRM Limited	Scotland	Fertility clinic	Ordinary	Yes	SC285879	92.2	92.2
GCRM-Repin Ltd	Scotland	Holding company	Ordinary	Yes	SC432293	92.2	92.2
GCRM Belfast Limited	Scotland	Fertility clinic	Ordinary	Yes	SC415461	77.5	77.5
TFP Danfert Fertility ApS	Denmark	Fertility clinic	Ordinary			100.0	71.0
Delivery Fertility DK I ApS	Denmark	Fertility clinic	Ordinary			100.0	71.0
Delivery Fertility DK II ApS	Denmark	Fertility clinic	Ordinary			100.0	71.0
TFP Fertility Kuwait	Kuwait	Dormant	Ordinary			49.0	-

The subsidiary undertakings indicated above are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act.

All of these subsidiaries and joint venture are held indirectly except TFP Fertility Group Limited

## Notes (continued)

### 11 Investments in subsidiaries (continued)

#### Non-Controlling Interests

The following table sets out the following information relating to each of the Group's subsidiaries with non-controlling interests: the percentage of shares or partnership interests held by non-controlling interests, their share of net assets and their share in retained profits for the period:

	2023	2022	Share of net assets		Share of retained profit	
		(unaudited)	2023	2022	2023	2022
	%	%	£000	£000	£000	£000
GCRM Belfast Ltd	22.5	22.5	264	342	5	170
Wessex Fertility Ltd	15.9	15.9	588	530	184	273
Nurture LLP	20.0	20.0	722	756	(34)	284
Burton IVF Ltd	20.0	20.0	28	23	16	20
Thames Valley Fertility Ltd	24.0	20.0	679	475	134	222
Vitrolive	15.0	15.0	22	57	(37)	(19)
CMM Medical	15.0	15.0	35	95	72	36
Ultrasound Direct Ltd	13.3	13.3	(243)	(160)	(83)	(31)
Simply Fertility Ltd	-	6.3	-	132	-	64
Sonoview Ltd	40.0	40.0	(38)	2	(40)	(29)
PL TFP Fertility Katowice sp.z.o.o	26.8	-	229	-	3	-
TFP Zielona Gora Sp. Z.o.o.(Ltd)	25.6	25.6	48	30	(17)	-
TFP Danfert Fertility ApS	0	29.0	-	1,150	(124)	69
Worcestershire Fertility Limited	49.0	49.0	20	11	9	11
GCRM Ltd	7.8	7.8	394	419	74	215
<b>Total</b>			<b>2,748</b>	<b>3,862</b>	<b>162</b>	<b>1,285</b>

The Company previously owned a 71% interest in Danfert Group since May 2021, and it subsequently became a wholly owned subsidiary of the Company in February 2023. Set out below is the summarised financial information for Danfert Group, that had non-controlling interests which were material to the group for the year ended 31 March 2022.

No additional financial information is prepared for the current period as the business is now wholly owned. The amounts are before inter-company eliminations.

	2022 (unaudited) £000
<b>Summarised balance sheet</b>	
Current assets	1,216
Current liabilities	(4,596)
<b>Current net assets</b>	<b>(3,380)</b>
Non-current assets	7,705
Non-current liabilities	(358)
<b>Non-current net assets</b>	<b>7,347</b>
<b>Net assets</b>	<b>3,967</b>

## Notes (continued)

### 11 Investments in subsidiaries (continued)

#### Non-Controlling Interests (continued)

	2022 (unaudited) £000
Summarised statement of comprehensive income	
Revenue	1,924
Profit for the period	237
<b>Other comprehensive income</b>	<b>(89)</b>
Total comprehensive income	148
Profit allocated to NCI	68
Cash flows	
Cash flows from operating activities	489
Cash flows from investing activities	(108)
<b>Cash flow from financing activities</b>	<b>(25)</b>
Net increase in cash and cash equivalents	356

### 12 Deferred tax assets and liabilities

#### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Property, plant and equipment	Intangible assets	Other temporary differences	Tax value of loss carry- forwards	Total
	£000	£000	£000	£000	£000
At 1 April 2021 (unaudited)	(2,758)	(4,774)	2,811	326	(4,395)
Recognised in income statement	2,610	(2,541)	(1,777)	2,473	765
Acquired in business combination	62	(100)	-	-	(38)
Foreign exchange	(23)	(47)	28	3	(39)
At 31 March 2022 (unaudited)	(109)	(7,462)	1,062	2,802	(3,707)
Recognised in income statement	(396)	891	14	(922)	(413)
Acquired in business combination	-	-	-	-	-
Foreign exchange	(65)	-	-	-	(65)
At 31 March 2023	(570)	(6,571)	1,076	1,880	(4,185)

## Notes (continued)

### 12 Deferred tax assets and liabilities (continued)

#### Movement in deferred tax during the year

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

	2023	2022
	£000	(unaudited) £000
Deferred tax assets	-	-
Deferred tax liabilities	(4,185)	(3,707)
	<u>(4,185)</u>	<u>(3,707)</u>

The Group has unrecognised deferred tax assets amounting to £9,659,000 (2022 (unaudited): £8,157,000) of which £7,263,000 (2022 (unaudited): £6,396,000) relates to unrelieved tax losses carried forward in Germany, which are not expected to be relieved against future trading profits in the next five years. In addition, £2,396,000 (2022 (unaudited): £1,667,000) relates to the restriction on corporate interest deductions in the UK.

## Notes (continued)

### 13 Inventories

	2023	2022 (unaudited)
	£000	£000
Clinic supplies	2,471	2,098
Work in progress	88	82
	<u>2,559</u>	<u>2,180</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £7,478,000 (2022 (unaudited): £7,581,000). The write-down of inventories to net realisable value amounted to £nil (2022 (unaudited): £nil).

### 14 Trade and other receivables

	2023	2022 (unaudited)
	£000	£000
Trade receivables	7,459	7,777
Other receivables	4,776	3,237
Prepayments	2,053	1,634
	<u>14,288</u>	<u>12,648</u>

Information about the Group's exposure to credit and currency risks, and impairment losses for trade and other receivables, is included in note 20.

### 15 Cash and cash equivalents

	2023	2022 (unaudited)
	£000	£000
Bank balances	7,573	8,035
Petty cash	64	43
	<u>7,637</u>	<u>8,078</u>

Cash and cash equivalents per cash flow statement

## Notes (continued)

### 16 Financial liabilities

	2023	2022 (unaudited)
	£000	£000
<b>Non-current</b>		
Related party loan – Facility A	51,367	51,234
Related party loan – Accordion	36,628	34,723
NatWest revolving credit facility – GBP	4,754	1,254
NatWest revolving credit facility – EUR	2,641	2,531
Shareholder loan	23,822	22,147
Mortgage	218	310
	<hr/>	<hr/>
<b>Interest-bearing loans and borrowings</b>	<b>119,430</b>	<b>112,199</b>
	<hr/>	<hr/>
<b>Current</b>		
Mortgage	101	95
	<hr/>	<hr/>
<b>Interest-bearing loans and borrowings</b>	<b>101</b>	<b>95</b>
	<hr/>	<hr/>
Hire purchase obligations	33	73
Amount due to parent company	28,859	15,843
	<hr/>	<hr/>
<b>Other financial liabilities</b>	<b>28,892</b>	<b>15,916</b>
	<hr/>	<hr/>

At 31 March 2023, other financial liabilities include amount due to parent company which comprise of interest bearing loan £11.1 million (2022 (unaudited): nil) and non-interest bearing loan £18.0 million (2022 (unaudited): £15.8 million), both loans are repayable on demand.

**Notes (continued)**

**16 Financial liabilities (continued)**

*Terms and debt repayment schedule*

	Currency	Nominal interest rate%	Years to Maturity	Principal 2023 £000	Carrying amount 2023 £000	Principal 2022 (unaudited) £000	Carrying amount 2022 (unaudited) £000
Related party loan – Facility A	GBP	8.68	3	52,318	51,367	52,318	51,234
Related party loan – Accordion	EUR	8.63	3	36,804	36,628	35,263	34,723
NatWest revolving credit facility – GBP	GBP	4.43	2	4,754	4,754	1,254	1,254
NatWest revolving credit facility – EUR	EUR	4.38	2	2,641	2,641	2,531	2,531
Shareholders Loan	SEK	11.43	3	24,077	23,823	22,525	22,147
Mortgage	PLN	9.37	3	218	218	310	310
				<u>120,812</u>	<u>119,431</u>	<u>114,201</u>	<u>112,199</u>

The agreements for the bank facility loans and the revolving credit facility (“RCF”) were entered into on 22 March 2019. The RCF maximum credit lines are £4.9 million and EUR 3.6 million. EUR 0.5 million of the EURO line is set aside for guarantees to third parties. The mortgage represents a mortgage balance held in Centrum Medyczne Macierzynstwo sp z o.o.

The facilities are stated net of £1.380 million of loan issue costs (2022 (unaudited): £2.001 million), which are being amortised over the term of the facilities.

The bank facilities are all secured by floating charges, with the revolving credit facilities senior to the other loans.



**Notes (continued)**

**16 Financial liabilities (continued)**

*Changes in liabilities from financing activities*

	<b>Loans and borrowings £000</b>	<b>Other financial liabilities £000</b>	<b>Lease liabilities £000</b>	<b>Total £000</b>
<b>Balance at 31 March 2022 (unaudited)</b>	112,294	15,876	25,382	153,552
<i><b>Changes from financing cash flows</b></i>				
Proceeds from loans and borrowings	2,849	13,056	-	15,905
Repayment of borrowings	(87)	(40)	-	(127)
Payment of lease liabilities	-	-	(3,602)	(3,602)
<b>Total changes from financing cash flows</b>	2,762	13,016	(3,602)	12,176
The effect of changes in foreign exchange rates	699	-	121	820
<i><b>Other changes</b></i>				
New leases	-	-	573	573
Lease modifications	-	-	973	973
Release of liabilities	-	-	(464)	(464)
Capitalised borrowing costs	3,190	-	-	3,190
Interest expense	8,691	167	1,689	10,547
Interest paid	(8,105)	(167)	(1,689)	(9,961)
<b>Total other changes</b>	3,776	-	1,082	4,858
<b>Balance at 31 March 2023</b>	<b>119,531</b>	<b>28,892</b>	<b>22,983</b>	<b>171,406</b>

**Notes (continued)**

**16 Financial liabilities (continued)**

*Changes in liabilities from financing activities*

	Loans and borrowings £000	Other financial liabilities £000	Lease liabilities £000	Total £000
<b>Balance at 31 March 2021 (unaudited)</b>	113,795	12,448	24,446	150,689
<i><b>Changes from financing cash flows</b></i>				
Proceeds from loans and borrowings	8,715	3,869	-	12,584
Repayment of borrowings	(16,435)	(149)	-	(16,584)
Payment of lease liabilities	-	-	(3,127)	(3,127)
<b>Total changes from financing cash flows</b>	(7,720)	3,720	(3,127)	(7,127)
Changes arising from obtaining or losing control of subsidiaries or other businesses	3,483	-	123	3,606
The effect of changes in foreign exchange rates	(2)	-	(298)	(300)
Changes in fair value	-	(292)	-	(292)
<i><b>Other changes</b></i>				
New leases	-	-	469	469
Lease modifications	-	-	3,769	3,769
Capitalised borrowing costs	2,168	-	-	2,168
Interest expense	7,124	141	1,608	8,873
Interest paid	(6,554)	(141)	(1,608)	(8,303)
<b>Total other changes</b>	2,738	-	4,238	6,976
<b>Balance at 31 March 2022 (unaudited)</b>	<b>112,294</b>	<b>15,876</b>	<b>25,382</b>	<b>153,552</b>

## Notes (continued)

### 17 Trade and other payables

	2023	2022 (unaudited)
	£000	£000
Trade payables	4,706	5,541
Other payables	9,465	8,318
Amount due to related company	625	16
	<u>14,796</u>	<u>13,875</u>
Current	14,796	13,875
Non-current	-	-
	<u>14,796</u>	<u>13,875</u>

Other payables include VAT and social security of £0.7 million (2022 (unaudited): £0.5 million). Information about the Group's exposure to currency and liquidity risk is included in note 20. Amount due to related company is non-interest bearing and repayable on demand.

### 18 Provisions

	Claims and litigation £000	Other £000	Total £000
Balance at 1 April 2022 (unaudited)	339	1,198	1,537
Provisions made during the year	137	(336)	(199)
Provisions used during the year	(213)	(197)	(410)
Currency translation	10	57	67
<b>Balance at 31 March 2023</b>	<u><b>273</b></u>	<u><b>722</b></u>	<u><b>995</b></u>

The provisions are expected to be utilised within the next 12 months. Employee related provisions are for discretionary bonuses. Other provisions primarily relate to irrecoverable input VAT relating to an intra-group management fee.

## Notes (continued)

### 19 Capital and reserves

#### Share capital

	2023	2022 (unaudited)
	£000	£000
<i>Allotted, called up and fully paid</i>		
46,248,416 (2022 (unaudited): 46,248,416) Ordinary shares £ of £0.01 each	463	463
29,810,599 (2022 (unaudited): 29,810,599) Ordinary shares € of €0.01 each	268	268
	<u>731</u>	<u>731</u>

#### Share premium account

	2023	2022 (unaudited)
	£000	£000
<i>Allotted, called up and fully paid</i>		
46,248,416 (2022 (unaudited): 46,248,416) Ordinary shares £ of £0.01 each	72,324	72,324
29,810,599 (2022 (unaudited): 29,810,599) Ordinary shares € of €0.01 each	7,011	7,011
	<u>79,335</u>	<u>79,335</u>

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 05 May 2021 1 Ordinary £0.01 was allotted to the parent company, Delivery I Limited (formerly TFP Fertility Holding Limited) for cash consideration of £7,011,205. The proceeds from newly issued shares were used for normal operating cash flow and invested in the acquisition of subsidiary undertakings.

#### Translation reserve

The translation reserve comprises all foreign exchange differences arising since incorporation from the translation of the financial statements of foreign operations. The Group has not applied net investment hedging.

## Notes (continued)

### 20 Financial instruments

#### *Financial instruments by category*

The Group holds the following financial instruments:

	2023	2022 (unaudited)
	£000	£000
Financial assets at amortised cost		
Trade receivables	7,459	7,777
Other financial assets at amortised cost	-	42
Cash and cash equivalent	7,637	8,077
	<hr/>	<hr/>
	15,096	15,896
	<hr/>	<hr/>

#### *20 (a) Fair values of financial instruments*

The following note includes considerations with regard to fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Management assessed that the fair value of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Because the original loan amount and conditions were agreed by third parties at the time of origination, the carrying value was aligned with the fair value. The loans payable to credit institutions bear interest at a floating rate plus a spread which is considered equivalent to market rates at the balance sheet date. Based on the above considerations, the conditions and surrounding circumstances in relation to the loan have not materially changed since origination, and accordingly the book value still represents the fair value.

#### Measurement of fair values

#### Valuation techniques and significant unobservable inputs

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables and borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of customers and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 March 2023 and 2022, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.
- The fair value of loans from banks and other payables as well as obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. As at 31 March 2023 and 2022, the carrying amounts of such liabilities were not materially different from their calculated fair values.
- Other financial liabilities at fair value through profit or loss include derivatives which are not designated as effective hedging instruments. The Group uses the derivative financial instruments (interest rate swaps) to hedge its interest rate risks. The derivative is carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Interest rate swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves.

## Notes (continued)

### 20. Financial instruments (continued)

#### 20 (b) Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### 20 (c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade receivables consist of a number of customers, which principally include public sector contracts. The Group does not have any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The carrying amount recorded for financial assets in the financial statements is net of impairment losses and represents the Group's maximum exposure to credit risk. No guarantees have been given in respect to third parties. The balance of trade and other receivables is mainly owed by public insurance counter parties which limits the risk of default from private patients.

The carrying amount of receivable, their ageing and the level of impairment allowance recognised can be set out as follows:

	2023	2023	2023	2022	2022	2022
	£000	£000	£000	(unaudited) £000	(unaudited) £000	(unaudited) £000
	Gross	Impairment allowance	Net	Gross	Impairment allowance	Net
Not overdue	3,134	-	3,134	3,360	-	3,360
Overdue between 1 and 30 days	2,725	-	2,725	1,817	(14)	1,803
Overdue between 31 and 60 days	499	(3)	496	460	(3)	457
Overdue between 61 and 90 days	239	(2)	237	93	-	93
Overdue between 91 and 120 days	407	(2)	405	335	-	335
Overdue more than 120 days	2,051	(1,589)	462	2,591	(862)	1,729
	<u>9,055</u>	<u>(1,596)</u>	<u>7,459</u>	<u>8,656</u>	<u>(879)</u>	<u>7,777</u>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2023	2022
	£000	(unaudited) £000
Balance at start of year	879	1,063
Impairment loss recognised	960	399
Impairment loss utilised	(252)	(374)
Currency translation	9	(209)
Balance at end of year	<u>1,596</u>	<u>879</u>

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment patterns.

**Notes (continued)**

**20 Financial instruments (continued)**

**20 (d) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages its capital to ensure entities within the Group are able to continue as going concerns while maximising the return to stakeholders through optimising the balance between Group debt and equity. The Group is subject to certain financial covenants imposed by the financing bank. The Group regularly reviews the cost of capital and the risks associated with each class of capital. The Group's debt ratio at the balance sheet date was 86%. The Group manages its liquidity risk by maintaining adequate facilities for reasonably foreseeable trading conditions, while taking full benefit of credit offered by suppliers.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated contractual interest payments:

	2023				2022 (unaudited)			
	1 year or less £000	1 to 5 years £000	Over 5 years £000	Total £000	1 year or less £000	1 to 5 years £000	Over 5 years £000	Total £000
<b>Non-derivative financial liabilities</b>								
Interest bearing loans and borrowings	10,978	152,707	13,908	177,593	7,944	145,755	-	153,699
Lease liabilities	4,446	14,486	12,754	31,686	4,976	14,226	15,094	34,246
Trade and other payables	14,795	-	-	14,795	13,875	-	-	13,875
<b>Derivative financial liabilities</b>								
Interest rate swaps used for hedging	-	-	-	-	93	-	-	93
	<u>30,219</u>	<u>167,193</u>	<u>26,662</u>	<u>224,074</u>	<u>26,838</u>	<u>159,981</u>	<u>15,094</u>	<u>201,913</u>

## Notes (continued)

### 20 Financial instruments (continued)

#### 20 (e) Market risk

##### Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### Market risk - Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily GBP, Euro (EUR), Danish Crowns (DKK) and Polish Zloty (PLN). The currencies in which these transactions are primarily denominated are GBP, EUR, DKK, and PLN.

##### Market risk – Interest rate risk

##### Profile

The Group adopts a policy of ensuring that the majority of its interest rate risk exposure is at floating rate.

##### Exposure to interest rate risk

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments net of derivatives was:

	2023	2022
	£000	(unaudited) £000
<b>Financial liabilities</b>		
Variable rate	119,531	77,571
Fixed rate	-	34,722
	<u>119,531</u>	<u>112,293</u>

##### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate liabilities after derivative contracts at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at balance sheet date was outstanding for the whole year.

If interest rates increased by 2%, while all other variables were held constant, the Group's profit for the year would reduce by £1.832 million (2022 (unaudited): £1.239 million). If interest rates reduced to the floor of 0%, the Group's profit for the year would increase by £1.0 million (2022 (unaudited): £0.2 million). These assumptions represent management's assessment of the reasonably possible change in interest rates.



## Notes (continued)

### 20 Financial instruments (continued)

#### 20 (f) Capital management

The Group is funded via a combination of third-party debt and support from its parent entity. The Group has committed to maintain a minimum liquidity level and net leverage ratio pursuant to a bank covenant clause pursuant to the shareholder loan agreement. A consent has been obtained in September 2023 to waive the covenants for a period until 30 September 2023. The Group underwent a capital restructure exercise after year end date, which is completed in November 2023. The Group ensures that it has sufficient capital to meet both its current and future requirements by monitoring business performance and liquidity via a combination of monthly business and treasury reporting processes as well as at least monthly treasury planning and annual business planning processes. The Group reports its net debt and liquidity to lenders and major shareholder on at least a monthly basis. The Group's net debt as at 31 March 2023 was as follows:

	2023	2022 (unaudited)
	£000	£000
Loans and borrowings	119,531	112,294
Cash and cash equivalents	(7,637)	(8,077)
	<u>111,894</u>	<u>104,217</u>

## Notes (continued)

### 21 Leases as a lessee

#### *Amounts recognised in the statement of financial position*

The carrying amount of right-of-use assets at 31 March 2023 of £19,095,000 (2022 (unaudited): £21,926,000) is included in property, plant and equipment (see note 9).

The movements in lease liabilities during the year are shown in note 16. The balance at 31 March 2023 can be analysed by maturity as follows:

	2023 £000	2022 (unaudited) £000
Current	4,241	4,779
Non-current	18,742	20,604
	<u>22,983</u>	<u>25,382</u>

The undiscounted cash flows in future periods relating to lease liabilities to which the Group was contractually committed at 31 March 2023 are shown in note 20.

#### *Amounts recognised in profit or loss*

	2023 £000	2022 (unaudited) £000
Amortisation of right-of-use assets	4,316	4,218
Interest expense on lease liabilities	1,689	1,608
Expenses relating to leases of low-value assets for which a right of-use asset has not been recognised	111	282
Expense for the year	<u>6,116</u>	<u>6,109</u>

#### *Amounts recognised in statement of cash flows*

	2023 £000	2022 (unaudited) £000
Payment of lease liabilities and interest	5,291	4,735
Payment of hire-purchase obligations	43	149
Rental of low-value assets	111	282
Total cash outflows	<u>5,445</u>	<u>5,166</u>

**Notes** *(continued)*

**22 Commitments and contingencies**

Other than lease commitments for which no right of use asset under the low value exemption of IFRS 16 has been recognised, no additional significant commitments exist.

	2023	2022
	£000	(unaudited) £000
Within one year	155	253
More than one but less than five years	80	86
	<hr/>	<hr/>
	235	339
	<hr/>	<hr/>

## Notes (continued)

### 23 Related parties

#### *Identity of related parties with which the Group has transacted*

On 30 August 2020 TFP Fertility Group Limited entered into a call option contract with Delivery Fertility AB ("the Seller"), an entity under common control. The option could be exercised at any date up to 31 August 2025 and was over the Seller's investment in 71.1% of the share capital of Delivery Fertility DK 1 ApS, the ultimate owner of a Danish fertility clinic. The exercise price was determined by a formula to estimate the fair value of the share capital. The option was exercised on 5 May 2021.

Note 17 provides information in relation to related party financing balances. The Shareholder Loan was granted by Impilo Delivery AB. No guarantees have been provided or received for any related party receivables or payables.

#### *Key management personnel compensation*

	2023	2022 (unaudited)
	£000	£000
Wages and salaries	1,257	1,544
Social security contributions	156	150
Bonus	257	226
Pension contributions	79	99
	<u>1,750</u>	<u>2,020</u>

Key management personnel are executive and non-executive directors having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly.

Compensation of the key management personnel includes salaries, bonus and termination benefits.

#### *TFP Fertility Group Limited Statutory Directors' compensation comprised the following:*

	2023	2022 (unaudited)
	£000	£000
Wages and salaries	892	95
Social security contributions	100	13
Bonus	185	30
Pension Contributions	37	-
	<u>1,214</u>	<u>138</u>

Total remuneration received by the highest paid director in the year ended 31 March 2023 amounted to £399,700 in salaries and social security contributions and £54,000 in bonus (2022 (unaudited): £374,500 and £70,500 respectively).

## **Notes (continued)**

### **24 Subsequent events**

Following initial attempts to sell the group of companies headed by the parent company Delivery I Limited (formerly TFP Fertility Holding), a lock-up agreement was entered into following the year end. As a result of this agreement, a separation agreement was signed on 20 November 2023, after which the group was reorganised into two components, NewCo and RemainCo. NewCo consists of the Group's operations within the United Kingdom, Poland and the Netherlands, whilst RemainCo consists of the German, Austrian and Danish operations, along with Group's Kuwait joint venture.

Two operating companies, TFP Kinderwunsch Wien GmbH and Ciconia Aarhus Fertilitetsklinik A/S incorporated separately in Austria and Denmark are in process to be liquidated whilst the remaining parts within RemainCo are in process of being sold.

### **25 Ultimate parent company and parent company of larger group**

The ultimate parent entity of the Group is TFP Fertility Group Limited.

Up until 20 November 2023, the ultimate controlling entity was Delivery I Limited (formerly TFP Fertility Holding Limited) ("DEL I"), a company incorporated in England and Wales. DEL I is the parent undertaking of the largest group of undertakings to consolidate these financial statements.

The consolidated statements of DEL I can be obtained from Companies House.

TFP Fertility Group Limited ("TFP Group") is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.

From 20 November 2023, the ultimate controlling entity became Clareant Fertility Treatments Limited ("Clareant Fertility").

The registered office of DEL I, TFP Group and Clareant Fertility is The Institute of Reproductive Sciences, Alec Issigonis Way, Oxford Business Park North, Oxford, England, OX4 2HW. In the opinion of the members, there is no ultimate individual controlling party.

**Notes (continued)**


**Company Balance Sheet**

*At 31 March 2023*

	Note	2023	2022 (unaudited)
		£000	£000
<b>Fixed assets</b>			
Investments	27	164,347	164,193
Property, plant and equipment	28	506	303
Intangible assets	29	9	35
		<hr/> 164,862	<hr/> 164,531
<b>Current assets</b>			
Debtors	30	92,028	56,832
Cash at bank and in hand		1,174	1,123
		<hr/> 93,202	<hr/> 57,955
<b>Creditors: amounts falling due within one year</b>	31	(55,646)	(55,669)
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		37,556	2,286
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		202,418	166,817
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	32	(157,000)	(113,890)
		<hr/>	<hr/>
<b>Net assets</b>		45,418	52,927
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	34	731	731
Share premium account		79,335	79,335
Profit and loss account		(34,648)	(27,139)
		<hr/>	<hr/>
<b>Shareholders' funds</b>		45,418	52,927
		<hr/>	<hr/>

**Parent company income statement for the year ended 31 March 2023**

As permitted by section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements. The Company's loss for the year ended 31 March 2023 was £7,509,000 (loss for the year ended 31 March 2022 (unaudited): £6,016,000). The financial statements on pages 67 to 77 were approved by the board of directors on Dec-22-2023 and were signed on its behalf by

DocuSigned by:  
  
E2E72AAC51434EF...  
**S Cummings**  
Director

Institute Of Reproductive Sciences Alec Issigonis Way, Oxford Business Park North, Oxford, OX4 2HW  
Company registered number: 11875195

## Company Statement of Changes in Equity

	Called up Share Capital	Share Premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
Balance at 31 March 2021 (unaudited)	731	72,324	(21,122)	51,933
<b>Total comprehensive income for the period</b>				
Loss	-	-	(6,017)	(6,017)
Total comprehensive income for the period	-	-	(6,017)	(6,017)
<b>Transactions with owners, recorded directly in equity</b>				
Issue of shares	-	7,011	-	7,011
Total contributions by and distributions to owners	-	7,011	-	7,011
<b>Balance at 31 March 2022 (unaudited)</b>	<b>731</b>	<b>79,335</b>	<b>(27,139)</b>	<b>52,927</b>
<b>Total comprehensive income for the period</b>				
Loss	-	-	(7,509)	(7,509)
Total comprehensive income for the period	-	-	(7,509)	(7,509)
<b>Transactions with owners, recorded directly in equity</b>				
Total contributions by and distributions to owners	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>731</b>	<b>79,335</b>	<b>(34,648)</b>	<b>45,418</b>

## Notes

(forming part of the financial statements)

### 26 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* applicable in the UK and Republic of Ireland ("FRS 101"). All amounts in the financial statements have been rounded to the nearest £1,000.

Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member and

As the consolidated financial statements of the Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- the requirements of IFRS 7 Financial Instruments: Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis with the exception of derivative financial instruments which are stated at fair value through profit and loss.

#### **Going concern**

##### **Going concern (continued)**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

Management have prepared cash flow forecasts out to the end of 31 March 2024, which demonstrate that, taking account of plausible downside scenarios, the Company will have sufficient funds to meet its liabilities as they fall due throughout that period.

The Group has prepared its "base case" monthly cashflow forecast at clinic level to 31 December 2024. Underpinning the cash flows are detailed clinic level profit and loss accounts as well as workings for loans and working capital. Prudent assumptions have been taken to transform accrual accounting into cash accounting. The forecast P&L is considering high inflation on top of the historic seasonal profile of the business and growth assumptions have been taken from the latest TFP Group planning exercise (December 2022). Funding levels will be strengthened to meet future covenant levels throughout the base case cash flow planning period. Lenders confirm that the loans are not due to be repaid in the period to 31 March 2023, which at 31 December 2022 amounted to £125 million.

Even in case of a delayed rebound of activities following the postponement of treatments as a result of increased uncertainty due to the war in Ukraine or in a worst case scenario with additional inflation and delayed impact of turnaround actions, we do not foresee additional funding requirements beyond the forecasted and agreed support.



## **Notes (continued)**

### **Going concern (continued)**

At the date of approval of these financial statements, the Directors acknowledge that there can be no certainty that this support will continue beyond these scenarios but have no reason to believe that support will be withdrawn in the foreseeable future

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities for the foreseeable future and that all dues can be met and therefore prepared the financial statements on a going concern basis.

### **Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

### **Classification of financial instruments issued by the Company**

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

### **Basic financial instruments**

#### **Trade and other debtors/creditors**

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### **Interest-bearing borrowings classified as basic financial instruments**

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### **Investments in preference and ordinary shares**

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

## Notes (continued)

### 26 Accounting policies (continued)

#### Basic financial instruments (continued)

##### Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

##### Other financial instruments

##### Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

##### Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

##### Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in profit or loss. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into profit or loss using the effective interest method over the remaining life of the hedged item.

##### Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in OCI. Any ineffective portion of the hedge is recognised immediately in profit or loss.

When the forecast transaction subsequently results in the recognition of a non-financial item (including a non-financial item that becomes a firm commitment for which fair value hedge accounting is applied – see above), the associated cumulative gain or loss is removed from the cash flow hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged items, the associated cumulative gain or loss is reclassified from the cash flow hedge reserve to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

## Notes (continued)

### 26 Accounting policies (continued)

#### Impairment excluding deferred tax assets

##### Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

## Notes (continued)

### 26 Accounting policies (continued)

#### Expenses (continued)

##### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### Key judgements

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are discussed below.

##### Fixed Asset Investment

The asset is held at carrying value, being the consideration given for the acquisition of shares in the investment. There has been no impairment of the investment in the current or prior year. Management is satisfied that the carrying value is an appropriate valuation.

### 27 Fixed asset investments

	Shares in group undertakings £000
<b>Cost and carrying amount</b>	
At 1 April 2022 (unaudited)	164,193
Additions	154
At 31 March 2023	<u>164,347</u>

##### Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

## Notes (continued)

### 28 Property, plant and equipment

	Leasehold improvements £000	Fixtures and fittings £000	Computers £000	Construction in Progress £000	Total PPE £000
<b>Cost</b>					
Balance at 1 April 2021 (unaudited)	-	-	-	-	-
Additions	3	1	25	299	328
Balance at 31 March 2022 (unaudited)	3	1	25	299	328
Additions	-	-	5	200	205
<b>Balance at 31 March 2023</b>	<b>3</b>	<b>1</b>	<b>30</b>	<b>499</b>	<b>533</b>
<b>Depreciation and impairment</b>					
Balance at 31 March 2021 (unaudited)	-	-	-	-	-
Depreciation charge for the year	2	1	22	-	25
Balance at 31 March 2022 (unaudited)	2	1	22	-	25
Depreciation charge for the year	-	-	2	-	2
<b>Balance at 31 March 2023</b>	<b>2</b>	<b>1</b>	<b>24</b>	<b>-</b>	<b>27</b>
<b>Net book value Balance at 31 March 2023</b>	<b>1</b>	<b>-</b>	<b>6</b>	<b>499</b>	<b>506</b>
Net book value balance at 31 March 2022 (unaudited)	1	-	3	299	303

### 29 Intangible assets

	Computer software £000
<b>Cost</b>	
Balance at 1 April 2021 (unaudited)	-
Additions	57
Balance at 31 March 2022 (unaudited)	57
Additions	-
Balance at 31 March 2023	57
<b>Amortisation and impairment</b>	
Balance at 1 April 2021 (unaudited)	-
Amortisation for the year	22
Balance at 31 March 2022 (unaudited)	22
Amortisation for the year	26
Balance at 31 March 2023	48
<b>Net book value</b>	
<b>At 31 March 2023</b>	<b>9</b>
At 31 March 2022 (unaudited)	35

#### *Amortisation charge*

The amortisation charge is recognised in administrative expenses.

**Notes (continued)**

**30 Debtors**

	2023	2022 (unaudited)
	£000	£000
Tax recoverable	-	911
Amounts owed by group undertakings	91,506	53,538
Derivative financial instruments	-	42
Prepayments and accrued income	222	93
Deferred tax assets	-	76
Other Receivable	300	2,172
	<u>92,028</u>	<u>56,832</u>

Amounts owed by group undertakings are interest free and repayable on demand.

**31 Creditors: amounts falling due within one year**

	2023	2022 (unaudited)
	£000	£000
Accruals and deferred income	814	709
Trade and other payable	362	313
Amounts owed to group undertakings	54,453	54,518
Other payable	17	11
	<u>55,646</u>	<u>55,551</u>

Amounts owed to group undertakings are interest free and repayable on demand.

**32 Creditors: amounts falling due more than one year**

	2023	2022 (unaudited)
	£000	£000
Interest borrowing loans and facilities	119,213	91,366
Amounts owed to group undertakings	37,694	22,524
Deferred Tax	93	-
	<u>157,000</u>	<u>113,890</u>

Amounts owed to group undertakings are interest free and repayable on demand.

**33 Financial assets and liabilities**

Financial assets comprise receivables from group undertaking of £82.5 million (2022 (unaudited): £53.5 million), prepayment, other receivables £0.5million (2022 (unaudited): £2.3 million) and cash of £1.2 million (2022 (unaudited): £1.1 million). Financial liabilities comprise interest bearing loans and facilities and payable to group companies as set out in note 31 and 32.

Financial assets and liabilities are carried at amortised cost. The carrying amount of all financial instruments is a reasonable approximation to fair value

## Notes (continued)

### 34 Capital and reserves

#### Share capital

	2023	2022 (unaudited)
	£000	£000
<i>Allotted, called up and fully paid</i>		
46,248,416 (2022 (unaudited): 46,248,416) Ordinary shares £ of £0.01 each	463	463
29,810,599 (2022 (unaudited): 29,810,599) Ordinary shares € of €0.01 each	268	268
	<u>731</u>	<u>731</u>

#### Share premium account

	2023	2022 (unaudited)
	£000	£000
<i>Allotted, called up and fully paid</i>		
46,248,416 (2022 (unaudited): 46,248,416) Ordinary shares £ of £0.01 each	72,324	72,324
29,810,599 (2022 (unaudited): 29,810,599) Ordinary shares € of €0.01 each	7,011	7,011
	<u>79,335</u>	<u>79,335</u>

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 05 May 2021 1 Ordinary £0.01 was allotted to the parent company, Delivery I Limited (formerly TFP Fertility Holding Limited) for cash consideration of £7,011,205. The proceeds from newly issued shares were used for normal operating cash flow and invested in the acquisition of subsidiary undertakings.

### 35 Related party disclosures

The following balances were outstanding with related parties:

	Receivables outstanding 2023	2022 (unaudited)	Creditors outstanding 2023	2022 (unaudited)
	£000	£000	£000	£000
Parent company	-	-	28,871	14,650
Subsidiaries	91,506	53,537	63,276	39,928
	<u>91,506</u>	<u>53,537</u>	<u>92,147</u>	<u>54,578</u>

### 36 Subsequent events

Following initial attempts to sell the group of companies headed by parent company Delivery I Limited (formerly TFP Fertility Holding), a lock-up agreement was entered into following the year end. As a result of this agreement, a separation agreement was signed on 20 November 2023, after which the group was reorganised into two components, NewCo and RemainCo. NewCo consists of the Group's operations within the United Kingdom, Poland and the Netherlands, whilst RemainCo consists of the German, Austrian and Danish operations, along with Group's Kuwait joint venture.

Two operating companies, TFP Kinderwunsch Wien GmbH and Ciconia Aarhus Fertilitetsklinik A/S incorporated separately in Austria and Denmark are in process to be liquidated whilst the remaining parts within RemainCo are in process of being sold.