Human Fertilisation & Embryology Authority

Annual report and accounts 2025-26

HC 298

Human Fertilisation and Embryology Authority

Annual report and accounts 2025-2026

For the period 1 April 2025 to 31 March 2026

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Chief Executive's Foreword

I am pleased to present the Human Fertilisation and Embryology Authority's Annual Report and Accounts for 2025–26.

This has been a strong year for the HFEA. We have met all our key performance indicators and continued to demonstrate high standards of governance, regulatory effectiveness, and organisational health. We have also completed the first year of our three-year Strategy (2025–2028) and remain broadly on track to deliver against its aims.

Delivering effective regulation

Throughout the year, the HFEA continued to deliver its core statutory responsibilities effectively. All licensed clinics were inspected and licensed as required and we maintained the ability to conduct responsive regulatory activity when concerns were raised. The vast majority of treatment cycles took place without incident, reflecting the generally high standards of care across the fertility sector and the robustness of the UK's regulatory framework.

We managed licences for treatment and research, approved new applications for advanced techniques where permitted by law, and responded to complaints, incidents, and whistleblowing concerns in line with our regulatory duties. Where needed, we applied enhanced oversight of clinics to ensure patient safety and regulatory compliance, demonstrating both proportionality and firmness in our approach.

Alongside this, we continued to support the safe and ethical use of the HFEA Register, responding to a growing number of requests for information from donors, donor-conceived people, and parents. Investment in people and systems has delivered a significant reduction in backlogs and a substantial improvement in turnaround times, ensuring that access to information is now timelier and more reliable for those who depend on it.

Transparency, data, and public information

High-quality data and transparent reporting remain central to our role. During the year, we published a range of data and policy reports that received significant national media coverage and reinforced the HFEA's position as the authoritative source of information on fertility treatment in the UK.

A major milestone this year was the publication of updated clinic-level outcomes data received through our modernised data submission system. This enabled us to refresh our comparative clinic performance information – Choose a Fertility Clinic - available to patients for the first time using the new system. In a predominantly self-funded fertility market, impartial and accessible information is essential to support informed decision-making.

We also continued to manage a high volume of public, parliamentary and media enquiries, reflecting both public interest in fertility issues and the trusted role of the HFEA in addressing them.

Organisational health and capability

The HFEA's performance this year has been underpinned by a committed and highly engaged workforce. Staff survey results continue to place the organisation well above public sector benchmarks for engagement, understanding of organisational purpose and confidence in leadership. Sickness absence and turnover remained within healthy ranges throughout the year.

We also invested in modernising our digital infrastructure. Progress continued on replacing legacy systems that support inspection, licensing, and data management, alongside improvements in document management and information security. These changes are essential in sustaining effective, risk-based regulation and protecting sensitive data in an increasingly complex environment.

Financial sustainability

The Authority ended the year in a net expenditure position for reasons detailed within the financial section of our report, however, increased reliance on fee income has highlighted the inherent volatility of the current funding model. Forecasting activity-based income remains challenging.

Work is therefore underway to develop proposals for a revised fee regime that is more predictable and resilient, while remaining fair and proportionate. Any changes will be subject to consultation and careful consideration of their impact on clinics, patients, and public finances.

A changing policy and scientific landscape

The fertility and embryology sector continues to evolve rapidly. Scientific advances, new treatment approaches, and the growing influence of digital and services overseas are reshaping how fertility care is delivered and understood. Throughout the year, our advisory committees undertook horizon scanning and evidence reviews to inform policy positions on emerging developments, including new embryo testing methods, treatment add-ons and the use of advanced technologies.

At the same time, issues relating to donation continue to generate significant public, political and international interest. We have seen increased awareness of donor-conceived people's rights, growing demand for access to information, and wider discussion about the implications of globalisation, genetic testing, and unregulated activity. These trends reinforce the importance of a clear, ethical, and enforceable regulatory framework.

The need for modern legislation

While the HFEA continues to regulate effectively within the existing legal framework, there is increasing recognition that the legislative basis for fertility and embryology regulation has not kept pace with scientific, clinical, and societal change. Many of the pressures we manage operationally would be better addressed through modernised legislation that reflects today's realities while preserving the UK's long-standing commitment to safety, ethics, and public confidence.

Although legislative reform was not progressed this year, we continued to engage constructively with government and stakeholders on the case for change and the options for future reform.

Looking ahead

In the coming year, our priority will remain the delivery of our statutory functions: inspection, licensing, use of the Register and provision of authoritative information to the public. Alongside this, we will continue to implement our strategy, modernise our systems and data, consult on proposals to strengthen financial sustainability and respond to emerging scientific and policy challenges.

The UK has long been recognised internationally as a leader in the safe and ethical regulation of fertility treatment and human embryo research. Sustaining that reputation will require continued collaboration with government, the sector, patients, and the public, as well as a shared commitment to ensuring that regulation evolves in step with science and society.

I would like to thank our Authority members, staff, and stakeholders for their continued commitment and professionalism over the past year.

Peter Thompson
Chief Executive
Accounting Officer

Performance Report

Overview

This section describes who we are and what we do. It looks at our performance and delivery against our business plan.

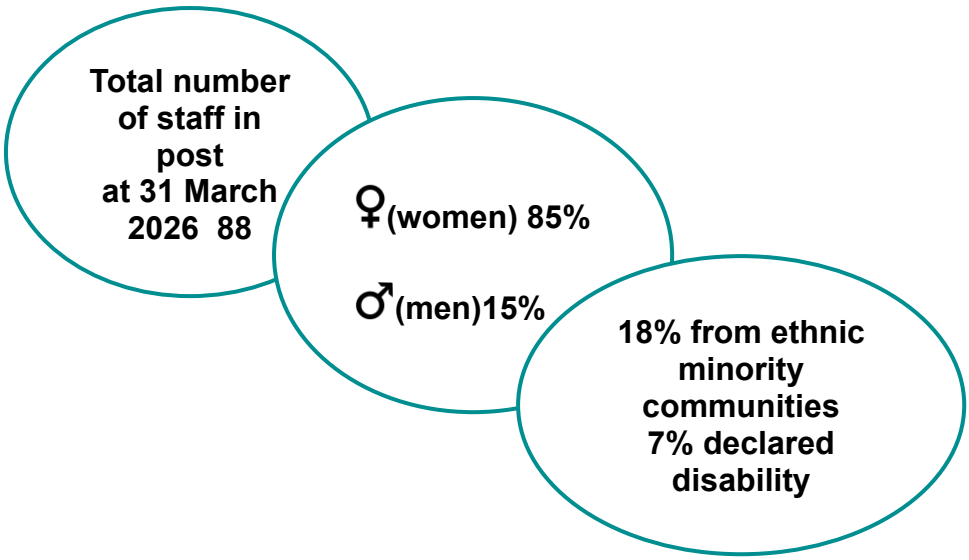
The HFEA's Purpose and Role

The HFEA is the regulator of fertility treatment and human embryo research in the UK. Its role includes setting standards for clinics, licensing them and providing a range of information for the public, particularly people seeking treatment, donor-conceived individuals, and donors.

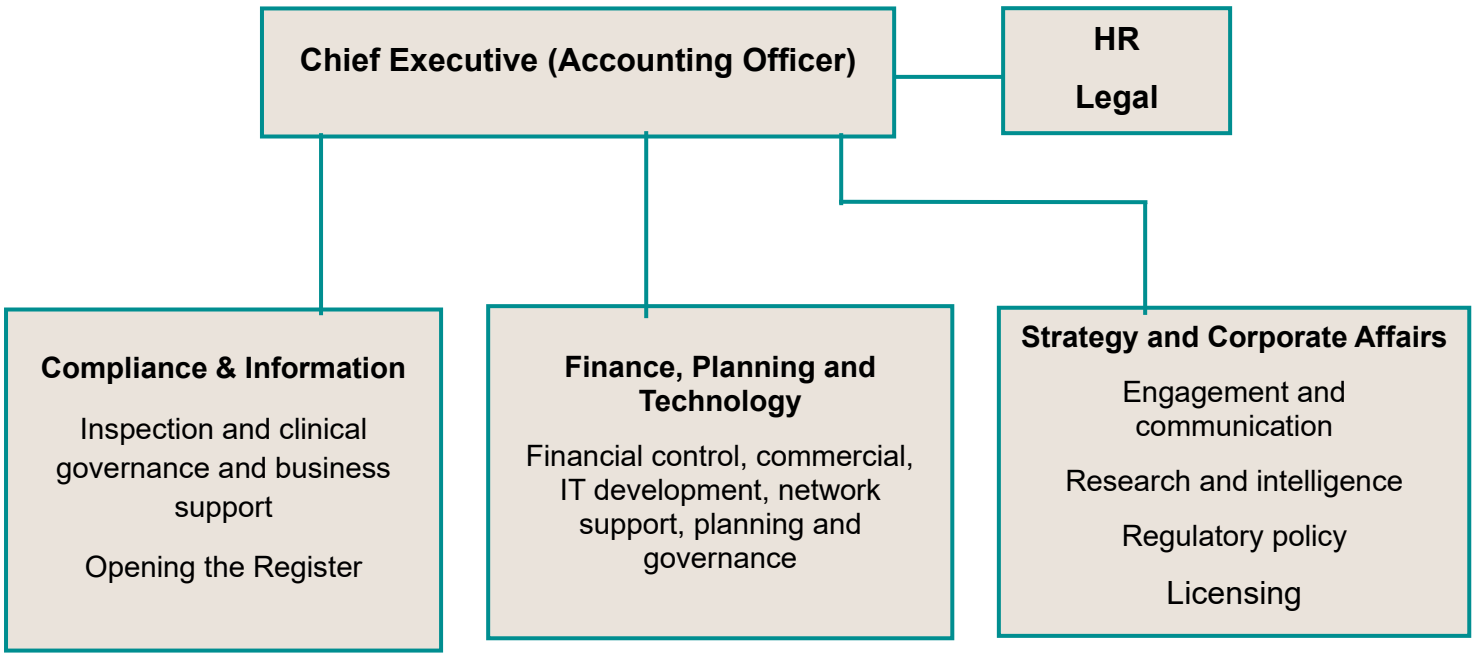
Who we are and our vision

The HFEA is the UK's independent regulator of fertility treatment and human embryo research. Established by the Human Fertilisation and Embryology Act 1990, we are an executive non-departmental public body sponsored by the Department of Health and Social Care. Our core purpose is to ensure a well-regulated fertility sector that is trusted by patients and the public. As we approach 2028—the 50th anniversary of the first baby born via IVF—we remain committed to ensuring that the UK's reputation for safe, high-quality, and ethical fertility care is maintained. Our work is centred on Regulating for Confidence, which focuses on three key pillars: ensuring safe treatment, providing the right information for patients, and creating an ethical framework where supported innovation and biosciences can flourish.

However, the fertility landscape is shifting rapidly away from physical clinics to a mixed model with some services moving online. We recognize that the rise of online advice, AI-driven diagnostics and advancements in novel treatment and research present both opportunities for patient choice and challenges for traditional regulation. To remain effective, the HFEA is adapting to this changing environment. We are evolving our use of data to better inform regulatory action and advocating for legislative changes where the current law no longer fits modern medical practice and research. Our goal is to ensure that as the sector innovates, patients seeking a longed-for family can continue to access treatment that is safe, evidenced-based and ethically governed.



Our structure



Our structure consists of an agreed establishment of 85Fte (88 headcount) staff along with a Board consisting of 14 members. We are located at 2 Redman Place, Stratford, East London and share an office floor with 5 other ALB's.

We are supported by statutory committees attended by both our board and external members (please refer to the governance statement on pages 29-41).

HFEA's legislation and functions

The HFEA's regulatory role and functions are set by two pieces of legislation:

- the Human Fertilisation and Embryology Act 1990 (as amended) – generally referred to as 'the 1990 Act'; and
- the Human Fertilisation and Embryology Act 2008 (the 2008 Act').

Under this legislation, the HFEA's main statutory functions are to:

- license and inspect clinics carrying out in vitro fertilisation (IVF) and donor insemination treatment
- license and inspect centres undertaking human embryo research
- license and inspect the storage of gametes (eggs and sperm) and embryos.
- publish a Code of Practice, giving guidance to clinics and research establishments about the proper conduct of licensed activities.
- keep a Register of information about donors, treatments and children born as a result of those treatments
- keep a register of licences granted
- keep a register of certain serious adverse events or reactions.
- investigate serious adverse events and serious adverse reactions and take appropriate control measures

In addition to these specific statutory functions, the legislation also gives us more general functions, including:

- promoting compliance with the requirements of the 1990 Act (as amended), the 2008 Act and the Code of Practice
- maintaining a statement of the general principles that we should follow when conducting our functions and by others when carrying out licensed activities.
- observing the principles of best regulatory practice, including transparency, accountability, consistency, and targeting regulatory action where it is needed.
- carrying out our functions effectively, efficiently, and economically
- publicising our role and providing relevant advice and information to donor-conceived people, donors, clinics, research establishments, and patients

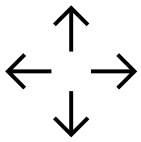
Reviewing information about:

- human embryos and developments in research involving human embryos.
- the provision of treatment services and activities governed by the 1990 Act (as amended)
- advising the Secretary of State for Health and Social Care on developments in the above fields, upon request

The HFEA is an Arm's-Length Body (ALB) which is a specific category of public bodies that are administratively classified by the Cabinet Office. ALBs are closely aligned, but distinct from their sponsor departments, with varying levels of operational independence from the department. The HFEA's sponsor department is the Department of Health and Social Care (DHSC).

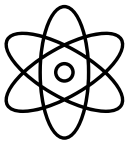
Our Strategy

Our strategic ambitions for 2025-2028 are summarised across 2 themes set out below:



Regulating a changing environment

1. To effectively regulate a changing fertility sector.
2. To continue to increase the availability and benefit of our data for patients, clinics and researchers.
3. To ensure that the HFEA responds to issues related to donation.
4. To make a difference on issues that matter to patients.



Supporting scientific and medical innovation

5. To ensure the safe regulation of emerging new science and technology, under a clear ethical framework

6. To prepare for the ways in which AI and its future potential is likely to impact on the sector and the HFEA.

7. To inform and advise Government in relation to new developments and their regulation.

What we delivered in 2025-26 in support of the 2025-28 strategy

During the course of the 2025-26 business year, we made progress against the delivery of our strategic aims in addition to carrying out our statutory duties. Below describes key pieces of work we undertook during the 2025-26 business year.

Regulating a changing environment

Strategic objective	BAU activities	Key achievements
Strategic objective 1 To effectively regulate a changing fertility sector	• Delivering the HFEA's licensing and appeals function, supporting the committees that make the decisions to grant licences to centres or authorise genetic testing.	• Launched the Phoenix programme, to replace our inspection and licensing database (Epicentre) and our records management system with SharePoint.

	• Ensuring quality and safety in clinics that offer licensed fertility treatments, including compliance with all regulatory requirements, through inspections at licensed centres every 2 years. • Set standards for clinics through our Code of Practice, consent forms, and associated guidance. • Approved 84 new conditions for embryo testing and 3 mitochondrial donation applications.	• Dealt with 98 patient complaints (of which 6 were classified as formal complaints) against clinics and 961 incidents and investigated 13 clinical whistleblowing allegations (although some fell out of scope of the HFEA's duties).

Strategic objective	BAU activities	Key achievements
Strategic objective 2 To continue to increase the availability and benefit of our data for patients, clinics, and researchers	• Maintaining the HFEA Choose a Fertility Clinic tool. • Maintaining the HFEA Register. • Our annual statistical release, Fertility Trends, and annual publication on our regulatory work: The Fertility Sector. • Responding to research requests through the Register Research Panel. • Responding to Freedom of Information requests, in line with statutory obligations. Advance our Data Security and Protection Improvement Plan in line with the National Cyber Security Centre's (NCSC) Cyber Assessment Framework (CAF), in order to strengthen cyber security and information governance.	• Updated the data in Choose a Fertility Clinic (CaFC) to provide patients with clinic level information on birth rates to 2023 and pregnancy rates to 2024. This was undertaken in 2 stages: o the first 'interim' update was published in May 2025 o the 'full' update in January 2026 • Ran a public consultation in the period between the 'interim' and 'full' update of CaFC to seek views on the best headline metrics. • Continued to publish high quality data and policy reports all of which had significant coverage in the national media and

		cement HFEA data as the definitive source for journalists and researchers covering relevant topics.

Strategic objective	BAU activities	Key achievements
Strategic objective 3 To ensure that the HFEA responds well to issues related to donation Strategic objective 4 To make a difference on issues that matter to patients	• Responding to requests for information from donor-conceived people, their parents, and donors through our Opening the Register (OTR) service. • Providing impartial, accurate information about IVF, clinics and other fertility treatments on our website, social media channels and through our patient enquiries team. • Facilitating the HFEA Patient Engagement Forum to gather views and feedback from people with lived experience of fertility treatment to help shape our work and the information we produce.	• Dealt with 1698 requests for access to our Register from donors (416 requests), donor conceived people (533), and parents (749).

Supporting scientific and medical innovation

Strategic objective	BAU activities	Key achievements
Strategic objective 5 To ensure the safe regulation of emerging new science and technology under a clear ethical framework. Strategic objective 6 To prepare for the ways in which AI and its future potential is likely	• Consider advances in science and clinical practice which are relevant to the HFEA's work through the Scientific and Clinical Advances Advisory Committee (SCAAC). • Continue to monitor developments in the use of AI technologies across the fertility sector through	• In 2025-26, SCAAC undertook horizon scanning work on topics including use of AI in the fertility sector and reproductive organoids, reviewed the literature on the health impacts on IVF patients and rated the evidence base of new treatment add-ons.

to impact on the sector and the HFEA	our horizon scanning function and through SCAAC.

Strategic objective	BAU activities	Key achievements
Strategic objective 7 To inform and advise Government in relation to new developments and their regulation	• Respond to Parliamentary Questions (PQs).	• Responded to 27 PQs, 64 FOI requests and many other requests for access to information from our Register and 1301 public enquiries and 145 media enquiries. • Gave evidence to the Women and Equalities Committee Enquiry on egg donation and freezing.

Within the performance report on page 18 are the KPIs that are relevant to the delivery of our 2025-26 Business Plan.

Strategic Risks in 2025-26

The HFEA identifies risks which could affect the successful delivery of our mission and strategic objectives. Below is a description of the main strategic risks we faced as of 31 March 2026.

By considering such risks, we can assess the continuing viability of our strategy and business plan against changes in circumstance and make adjustments when necessary. This does not mean we expect the risks to materialise – instead, it indicates that these are areas of risk of which we need to be aware and to consider our response to in order to perform our role effectively.

Our risks are scored on their likelihood and for the severity of their impact, from 1 (insignificant/rare) to 5 (catastrophic/almost certain), both before and after any actions have been taken to manage risks. The risk score is calculated by multiplying these 2 scores together, giving a maximum risk score of 25. Risks that score over 12 after actions have been taken are reviewed by our Senior Management team and those risks that have a score over 15 would be discussed at our Audit and Governance Committee and with our departmental sponsor team.

Further information on our approach to managing strategic risks can be found in the governance statement.

Risk Category	Risk Title	Residual Score	Change during the year	Appetite	Tolerance
Financial	There is a risk that the HFEA has insufficient financial resources to fund its regulatory activity and strategic aims.	Medium (10)	⟷	None	Below tolerance

Information	There is a risk that the wide availability of DNA testing could reveal that some of the data we hold is incorrect	Medium (5)	⟷	Low	At tolerance
Operational	There is a risk that replacement of key operational systems is not effectively managed	Medium (6)	⟷	Low	At tolerance
Security	There is a risk that a cyber security incident leads to major disruption and distress to the HFEA, regulated bodies, and patients	High (12)	⟷	Low	At tolerance
Security 2	There is a risk of a failure or breach in how we collect, store, share, or retain personal, including patient, data	Medium (8)	⟷	Low	At tolerance

Risk appetite and tolerance

Our risk appetite is defined as 'the HFEA's willingness to accept risk in pursuit of its objectives.' Our tolerance is defined as 'the range of variance we accept before specific action is required'. As a regulator, our appetite is naturally cautious regarding patient safety and information security, however we are not risk-averse; we accept that avoiding all risk can stifle innovation and could prevent us from achieving our strategic aims. Where a risk has a low appetite, the Board, has accepted that there are factors outside of HFEA's control resulting in a higher residual score and therefore are at a tolerable level.

Issues at March 2026

Finance risk. During the second half of the financial year, we received less income than expected (treatment fees for IVF and DI based on clinic activity) which, coupled with increases in our IT costs, moved the HFEA into a deficit position. Internal measures were taken to contain this situation, including deferring expenditure where possible and delaying recruitments. We also sought support from the Department to provide cover for the shortfall in income as something we could not control. These actions moved the residual risk score to below our tolerance levels. A sub-risk relating to our fee review is likely to become a priority in 2026/27 when the work will need to be finalised. For further information on our financial position, please refer to the performance section.

Information risk (Opening the Register – OTR). This risk relates to the fact that some historic patient data held by the HFEA, received from clinics over several years ago, can contain errors that can be identified where donor-conceived individuals use DNA testing to confirm information provided via the HFEA's OTR service. This risk has remained at tolerance throughout the 2025-26 business year and is being managed through routine checks with the donor bank and clinics that conducted the treatments.

Operational risk. This relates to the risk of key operational systems being ineffectively upgraded. The Phoenix project, which commenced in late 2024-25, replaces our inspection and licensing and document management systems (Epicentre and Content Manager), key operational systems that are currently at risk of failure due to their obsolescence and lack of support. The key issues relate to pressures on teams due to their engagement with system development work and User Acceptance Testing and the potential for legacy systems to fail before the programme is complete. Workarounds to keep legacy systems

functional and careful engagement with staff to support their capacity to engage with the project has seen the risk level maintained as low to medium.

Security risk. This relates to a potential cyber security incident that could cause major disruption to the HFEA and its stakeholders including patients and regulated bodies. This risk has remained high over the course of the year as there is an increasing trend of cyber-attacks both globally and within the public sector. We have a range of controls in place. We have recently revised our Business Continuity and critical incident response plans incorporating recommendations from internal audit and assessment via the Data Security Protection Toolkit (DSPT), which is aligned to the Cyber Assessment Framework (CAF). Testing of our business continuity plan was undertaken with further PEN tests to be conducted early in 2026-27. A deep dive into our business continuity arrangements was also undertaken by the Audit and Governance Committee.

Security risk 2. This relates to record management; how we collect, store, and share patient and personal data. We hold large volumes of special category data and information which is protected under both GDPR and the HFE Act. A security breach could have serious impact on affected individuals. To reduce the level of risk, the replacement of our document management systems (Phoenix project) has commenced, however we are cognisant that data risks will remain as we transition. The creation of new policies and processes and the targeted training of staff has kept this risk at tolerance.

Going concern

The going concern basis of accounting for the HFEA is adopted in consideration of the requirements as set out in the International Accounting Standards as interpreted by HM Treasury's Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in preparation of the financial statements, where it is anticipated that the services they provide will continue in the future.

Parliament has demonstrated its commitment to continue to fund DHSC for the foreseeable future and DHSC funds the HFEA through grant in aid in addition to funding from licence fees from both privately and publicly funded fertility services.

The level of funding from DHSC has been agreed in principle for the next three financial years. Licence fees are agreed by the Authority in December each year and are communicated to the sector in the fourth quarter of that year. We maintain a level of reserves to cover a period of 6 months.

There is no expectation that our services will not continue and therefore the Board believes it is appropriate to prepare these financial statements on a going concern basis.

Performance analysis

This section considers the HFEA's performance against our key priorities, as set out in the 2025-26 Business plan. Our business plan details activities undertaken in the delivery of our strategy and statutory functions. The business plan is prepared with staff across the HFEA and is embedded throughout the organisation in our performance, people, and risk management processes.

Key performance indicators

Table indicating performance against key metrics from April 2024 to March 2026

Category	Performance indicator	Target	Performance in 2024-2025	Performance in 2025-2026
Licensing activities	Average number of working days taken for the whole licensing process, from the day of inspection to the decision being communicated to the centre.	Less than or equal to 80 working days.	54 working days	60 working days
PGT-M processing	PGT-M applications processed within 75 working days	100% completed within 75 working days (60 working days from December 2024)	95%	34% completed within 60 working days
Financial management	Cash and bank balance.	To move closer to minimum £1,52m cash reserves.	£3.32m	£2.84m
People and capacity	Percentage turnover for the year.	5-15% turnover range.	11.5%	11.2% (average annual rate)
Staff complement (total heads)	n/a	n/a	86	88
Total staff FTE	n/a	n/a	82	85

The following table gives a view of the type and volume of our work between 1 April 2025 and 31 March 2026.

Type of work	2024-25	2025-26
Active clinics and research establishments	139	136
Clinics and research establishments inspections delivered	88	92 (including three variations of premises and activities)
New licence applications processed and presented to the Licence Committee/ Executive Licensing Panel	3	3
Licence renewals processed and presented to the Licence Committee/ Executive Licensing Panel	24	50
Applications for Preimplantation Tissue Typing (PTT) testing for tissue match processed and presented to Licence Committee/ Executive Licensing Panel	0	2
New preimplantation genetic testing (PGT-M) applications processed and presented to Statutory Approvals Committee	45	84
New mitochondrial donation applications processed and presented to Statutory Approvals Committee	2	3
Incident reports from clinics processed (including near misses)	929	1064
Alerts issued	14	17
Complaints about clinics	56	89
Opening the Register requests received	1190	1119
Donor Sibling Link applications processed	183 responses completed in total	196 responses completed in total
Patient Organisation Stakeholder group meetings	2	2
Professional Stakeholder Group meetings	2	2
Freedom of Information (FOI) requests responded to	67	64
Enquiries responded to under the Data Protection Act (DPA)	7	11
Parliamentary questions (PQs) responded to	10	27
Most popular / viewed page on our website	Fertility clinic search	Fertility clinic search

Financial Performance

Accounts preparation and overview

Our accounts consist of primary statements (providing summary information) about our income and expenditure in the year, our assets, and liabilities at the end of the year and how we have managed our cashflows and detailed notes to these statements.

These accounts have been prepared based on the standards set out in the Government Financial Reporting Manual (FReM) issued by HM Treasury, which is adapted from International Financial Reporting Standards (IFRS), to give a true and fair view.

How is the HFEA funded?

HFEA's revenue funding comes from 2 primary sources. In 2025-26, around 15% was from grant in aid (GIA) from the Department of Health and Social Care (DHSC) who provide baseline funding to support the provision of services for which we do not have legal powers to levy charges and for one-off projects (programme funding). The remaining 85% was from licence and treatment fees from both the private and public sectors and bank interest. We also received non-cash cover for notional charges of depreciation and amortisation of our fixed assets.

Overall financial performance

Income

Operating income for the 2025-26 year was £6.8m compared to £7m in 2024-25. The reduction was largely due to a drop in both IVF and DI cycles and to a lesser extent, refunds to clinics where corrections to cycles have been made. In addition, there are a few clinics that are yet to submit billable cycles for the period between September 2021 and March 2026. In order to account for this, we issued estimated bills, based on the pre-PRISM period (2020-21). At the end of 2024-25, and in addition to the estimated bills, we accrued (£133k) which we had calculated was a potential shortfall in income. The challenge for 2025-26 was assessing the total number of billable cycles that would provide a strong case for both the accrual and the estimated bills issued to date. A review of historical data, intelligence from our PRISM teams and lately information on income profiles from clinics, has led management to believe that its current estimate for cycles that are yet to be billed needs to be revised down thus reflecting the change that clinics were experiencing in billable activity (*please see note 1.6 within the financial statements section).*

During 2024-25 we experienced a significant number of refunds for which a provision was created at the end of the year. This was partially released in 2025-26, with a small provision remaining to cover a clinic that is in a transition from one API supplier to another after which they will make amendments which may trigger refunds.

The above issues will continue into 2026-27 and we are in contact with the relevant clinics to ascertain whether our assessments are correct.

Other income we received is bank interest, which has seen a drop of 38% compared to 2024-25 due to lower interest rates as well as the level of cash held within government banking.

Not shown as operating income is allocated Grant in Aid funding from DHSC. The allocation was £1.135m (2024-25 £410k), which was fully drawn down. Of this funding c£740k was allocated to the Phoenix programme which is a multi-year transformation initiative to replace our legacy operational systems, which are reaching end-of-life and present increasing operational and security risks with modern, cloud-based platforms. The programme encompasses the implementation of new systems including Dynamics, SharePoint, and a redesigned Clinic Portal, together with the integration of these platforms to support core regulatory processes. This is expected to complete in early 2026/27. Capital expenditure funding of £80k (2024-25 £80k) was also allocated.

There was a further non-cash income allocation (Ring-fenced RDEL[1]) of £229k (2024-25 £232k) to cover non-cash costs, being depreciation and amortisation.

Expenditure

Overall, our operating expenditure has increased by 20% compared to 2024-25. This increase was driven by increases in our staff costs (9%), which are impacted by pay awards and the subsequent on costs. We have also experienced an increase in staff taking maternity leave whose roles are covered by fixed term contractors where a gap would prevent us from delivering our objectives. In these cases, costs are almost doubled for a period of time.

The most significant increase is within our other operating expenditure; our IT costs have increased due to significant software licence price increases which were unavoidable due to the mandatory agreements in place. In addition, a significant portion of the Phoenix project costs are included in 2025-26 although we received funding from the DHSC which is not included within our operating income but is treated as a finance cost as shown in the cash flow statement on page 67. Other cost increases include growth in the cost of our professional fees, mainly auditor fees, ranging from 20% to 36%. A provision created in 2025-26 relating to estimated billing has also impacted on our total expenditure.

Forward financial outlook

During the last quarter of 2025-26 we began a detailed review of our fee structure. This project is expected to conclude in quarter 4 of the 2026-27 business year. This review is looking at how best to structure our fees in a fair and equitable way whilst ensuring we recover the full cost of the regulatory services we provide. The revised model will need HM Treasury approval as well as the HFEA's sponsor department and a consultation with the sector will be undertaken.

For 2026-27 our budget has been approved by the Board alongside the business plan. The challenge as always will be ensuring we live within this budgeted envelope and manage any shortfalls in income whilst continuing to deliver our statutory functions.

Supplier payments

We aim to comply with Better Payments Practice Code by paying suppliers within 30 days of receipt of an invoice.

BPPC Target	2025-26	2024-25
95% of payments made within 3 days of receipt of undisputed invoice	886 (99%) were paid within 30 days. 895 invoices totalling £2.9m were received	1,012 (99%) were paid within 30 days. 1,023 invoices totalling £2.1m were received

Our people

We are structured as per the table on page 10. Our current establishment is 85 Fte and staff in post as of 31 March was 88.

Our model relies on bringing together multi-disciplinary teams of experts under one roof. Together, we draw on specialist skills and expertise to deliver a shared mission.

[1] Ring-fenced RDEL is Resource Departmental Expenditure Limit and comprises depreciation, amortisation and impairment. It is not cash, but cover provided by the DHSC against this type of expenditure

In 2025-26, we introduced our new people strategy which aligns with our corporate strategy. Our vision is an outstanding organisation with high-performing, motivated and flexible staff, who work together with shared values, putting patients and donor conceived people at the heart of their work, and ensuring quality in all we do.

Our strategy focuses on the following strands of activity:

- Resourcing – attract and retain a diverse high performing workforce
- Employee development – support and develop our people so that they can deliver to a high standard, fulfil their potential and work towards achieving career aspirations.
- Leadership – continue to develop and grow a talented team of people leaders.
- Diversity, inclusion, and wellbeing – value diversity and promote wellbeing and inclusion.
- Organisational resilience – create an agile workforce able to support the delivery of our strategic goals.

Recruitment

All appointments are made in accordance with our recruitment and selection policy on the basis of merit and in accordance with equal opportunities. We operate a blind recruitment process, ensuring that all identifying information is removed to enable objective decisions about candidate skills, experience, and suitability for a role, thus reducing the risk of bias. We are signatories to The Race at Work Charter which helps businesses improve their racial equality in the workplace.

For new members of staff, we have induction resources on the intranet which includes videos that provide an overview of a particular team or function.

Development and leadership

We actively promote the development of our staff and encourage them to take 5 days learning a year. We subscribe to Civil Service Learning which provides courses and resources for developing skills to all UK civil servants. This supports a blended approach which is convenient and cost-effective. Individual needs are set out in personal development plans and are met through appropriate means, including e-learning, face-to-face learning and taking part in projects, coaching, and job shadowing. We also maintain an in-house training platform (Astute) which is also used for mandatory training issued quarterly.

In quarter 4 of 2025-26, we piloted an accelerated leadership development program (Institute of Leadership and Management – ILM) to help with the development and progression of our middle management tier of staff. This program provides a nationally recognised qualification rooted in a practical curriculum which helps participants sharpen and increase their knowledge and exposure to key management areas that they may otherwise not be exposed to in their day-to-day jobs. Should this be successful, the program will be rolled out to other members of staff at the middle manager band.

Diversity, inclusion, and wellbeing

We are committed to equality of opportunity and diversity in all our employment practices, policies, and procedures. This means that no employee or potential employee will receive less favourable treatment due to their race, sexual orientation, nationality, ethnic origin, disability or religion and belief, gender identity, or marital status. We are a Disability Confident Committed Employer. In addition, we have created EDI Champions which are voluntary roles that help champion and promote the principles of EDI across the HFEA. EDI champions provide a forum for any member of staff to discuss an idea or issue, good practice initiative, or concern in relation to equality, diversity, and inclusivity at the HFEA. Their role aims to offer support and help to bridge any barriers that may prevent colleagues from speaking up. EDI champions are impartial and confidential, offering encouragement and signposting to appropriate avenues for staff. We introduced wellbeing days that staff are able to take within a specific period of time. The

uptake has been good, and we continue to encourage staff to use the days. A pulse survey will be conducted in the new year to establish the percentage of staff who have used the days.

Organisational

In October through November of the 2025-26 business year, we conducted our annual staff survey. The following are headline indicators. The response rate was 87% (2024-25 87%) and is above the sector average of 77%. The extent to which staff felt happy at work (engagement score) was 88%, lower than in 2024-25 (89% 2024-25) but still significantly above the average for public sector comparators of 76%.

Other areas of note include 72% of staff seeing themselves remaining with the organisation 2 years from now which is 2% above the average for the sector, but 5% below the 2024-25 figure. A notably higher favourable response to questions about reward and recognition of 73% (68% 2024-25) and 10% above the sector average. For the first time, a notable increase of 8% in positive responses to EDI based questions was seen. We believe this is a result of the work undertaken by the EDI Champions and the resources that are made available to staff via the HFEA's intranet. Finally, perception of senior management was 78% which was 1% higher than last year and well above the sector average of 16%. This shows the level of confidence staff have in senior management.

Sustainability

The HFEA occupies a small area of the 2nd floor of a shared building in London. Our landlords provide services and encourage behaviour that meets sustainability requirements, this includes recycling, energy efficiency, and other facilities. The FReM defines thresholds for reporting sustainability. The HFEA, due to its size, is out of scope for reporting under the Greening Commitments and therefore is not required to prepare disclosures in line with the Taskforce on Climate Related Financial Disclosures.

All efforts to adapt our working environment to climate change are reliant on our landlord. We are aware of the green agenda in relation to procurement and we use the Crown Commercial Service (known now as the Government Commercial Agency – GCA) and other frameworks which have sustainability factored in.

The table below contains data submitted by the HFEA which uses prescribed $C0_2e$ factors provided by DHSC Health Group which are different from those used in 2024-25.

	2025-26	2024-25	2025-26	2024-25
Total tCO2e	**KM travelled**	**KM travelled**	**Tonnes CO2e**	**Tonnes CO2e**
Domestic flights	14,833	25,052	0.503	3.23
Rail (national average)	92,210	48,183	0.354	1.71

The reduction in kilometres travelled in domestic flights compared to 2024-25 is due to estimation of some of the data which was unavailable for part of the year.

Other data

	2025-26	2024-25	2025-26	2024-25
Financial data	**Rail**	**Rail**	**Air**	**Air**
Expenditure	£61,564	£60,299	£4,510	£4,211
Number of trips	780	605	28	22

Staff are encouraged to travel when on HFEA business in the most sustainable and cost-effective way possible. Our inspections team conducts desk-based assessments where possible instead of site visits and, where appropriate, staff share the use of a vehicle to cover site visits to clinics in close proximity to each other.

Peter Thompson
Chief Executive
Accounting Officer **25 June 2026**

Accountability Report

Director's report

Accountability report

The accountability report provides assurance and transparency on how we meet our main accountability requirements to Parliament. It is divided into three parts:

- the Corporate Governance Report (explains the organisation's governance structures, board composition, and how these support objectives, including the Statement of the Authority and Accounting Officer's Responsibilities and a Governance Statement)
- the Remuneration and Staff Report (outlines remuneration policies for directors and staff, including salary, pension liabilities, staff numbers, and costs)
- the Parliamentary Accountability and Audit Report (contains details on the regularity of expenditure, fees, charges, and contingent liabilities. It includes the audit certificate from the National Audit Office (NAO).

Statement of the Authority and Accounting Officer's responsibilities

The statement of accounts is prepared in a form directed by the Secretary of State for Health and Social Care in the 2025 Framework Agreement, in accordance with section 6 of the 1990 Act (as amended).

The accounts are prepared on an accruals basis and must show a true and fair view of our state of affairs at the year-end, our net expenditure, changes in taxpayers' equity and cash flow for the financial year.

In preparing the accounts, the Authority and the Accounting Officer are required to comply with the requirements of the Financial Reporting Manual, and in particular to:

- observe the accounts directions issued by the Secretary of State, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in HM Treasury Financial Reporting Manual (FReM), have been followed and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on a going concern basis.
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the Department of Health and Social Care (DHSC) has designated me, as the Chief Executive, the Accounting Officer for the organisation. My responsibilities include the propriety and regularity of the public finances for which I am answerable, for keeping proper records and for safeguarding our assets, as set out in 'Managing public money' published by the HM Treasury.

I confirm that, as far as I am aware, there is no relevant audit information of which the HFEA's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Accounts direction

The statement of accounts is prepared in a form directed by the Secretary of State for Health and Social Care, in accordance with section six of the 1990 Act (as amended).

Authority statement

Our Senior Management Team (SMT), the Audit and Governance Committee and the Authority have inputted or reviewed the annual report and accounts. I confirm that the annual report and accounts are fair, complete, understandable and provide the information necessary for stakeholders to assess our performance.

Corporate governance report

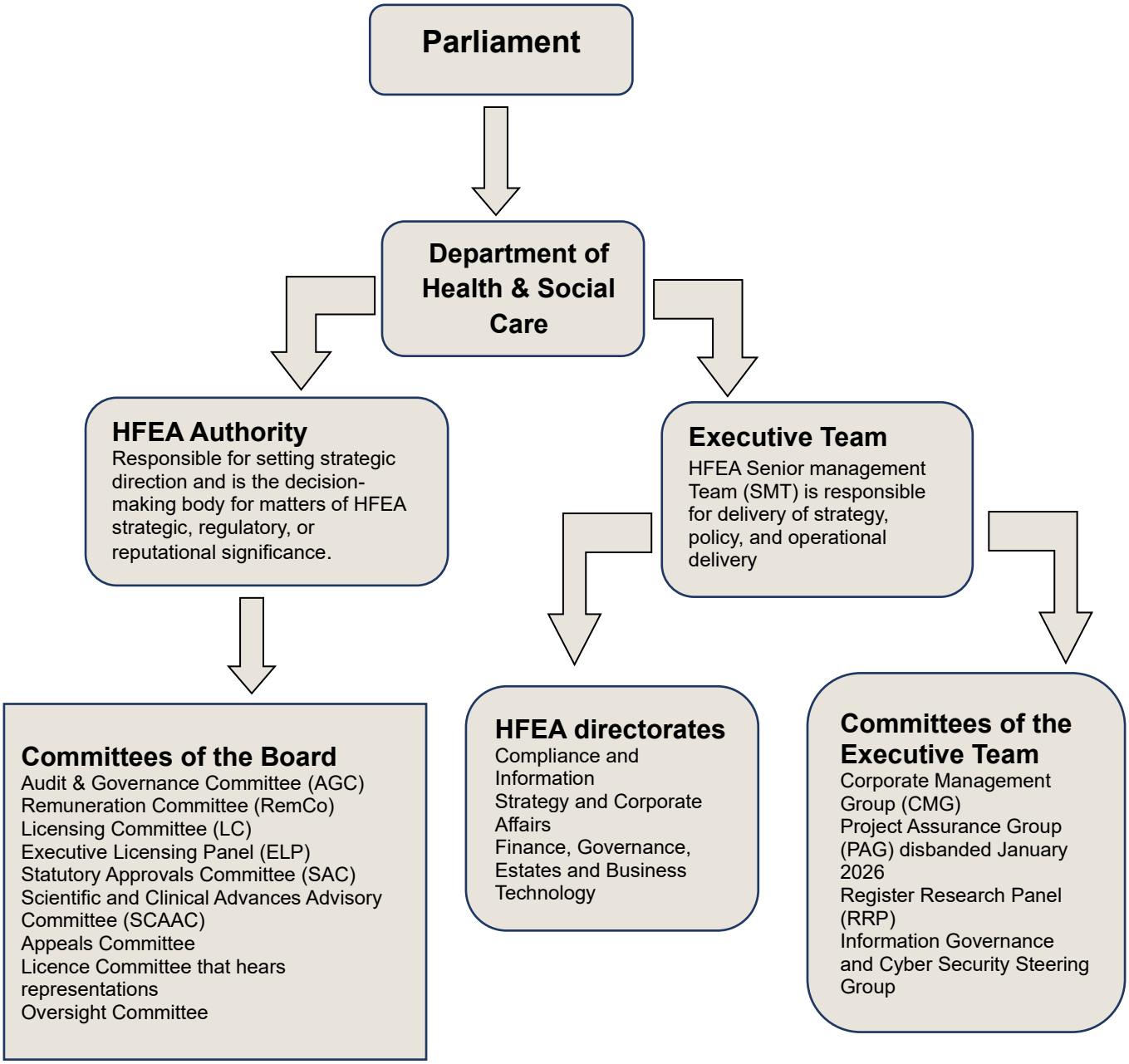
The purpose of the corporate governance report is to explain our governance structures and how they have supported the achievement of our objectives.

Scope of Responsibility

Governance framework

We operate within a robust governance framework designed to support effective decision-making, accountability, and control in fulfilling our statutory functions under the HFE Act 1990 (as amended). The framework aligns with Managing Public Money, the HM Treasury Orange Book, and relevant Cabinet Office Functional Standards. It establishes clear roles and responsibilities for our Board (the Authority), our committees, and the Executive, supported by a Scheme of Delegation, Financial Regulations, and corporate policies.

Figure 1: HFEA governance structure



Governance statement

Our board (the Authority)

The HFEA is led by a unitary Authority Board comprising a non-executive Chair who is a 'lay member,' 13 non-executive members (of whom 5 are professional and 8 are lay), and 4 executive members including the Chief Executive. The Board collectively brings expertise across regulation, clinical practice, ethics, finance, technology, governance, and public engagement.

Board Appointments

The Chair, Deputy Chair and the Non-Executive Members of the Board are appointed by the Secretary of State for Health and Social Care (SoS). These appointments are made in line with the Governance Code on Public Appointments. Under this code ministers decide on the length of tenure and individuals should not generally serve more than 2 consecutive terms or serve in any one post for more than 10 years. The HFEA standard term is for 3 years. There is no automatic presumption of reappointment; each case is considered on its own merits, taking into account a number of factors including, but not restricted to, the diversity of the current board and its balance of skills and experience. Decisions regarding reappointment are ministerial decisions. The Chair of the Board appoints external members and advisors to the standing committees.

Table 2: Board members

Authority member	Appointment start dates	Appointment end date
Julia Chain (Chair)	1 April 2021	31 March 2027 (re-appointed 1 April 2024)
Catharine Seddon (Deputy Chair)	18 January 2021	17 January 2027 (re-appointed 18 January 2024)
Tim Child	18 January 2021	17 January 2027 (re-appointed 18 January 2024)
Alex Kafetz	1 April 2022	31 March 2028 (re-appointed 1 April 2025)
Geeta Nargund	1 April 2022	31 March 2028 (re-appointed 1 April 2025)
Alison McTavish	1 April 2022	31 March 2028 (re-appointed 1 April 2025)
Zeynep Gurtin	1 April 2022	31 March 2028 (re-appointed 1 April 2025)
Frances Flinter	1 May 2022	30 April 2028 (re-appointed 1 April 2025)
Graham James	1 May 2022	30 April 2028 (re-appointed 1 May 2025)
Christine Watson	1 May 2023	30 April 2029 (re-appointed 1 May 2026)
Tom Fowler	14 October 2024	13 October 2027

Rosamund Scott	14 October 2024	13 October 2027
Anya Sizer	14 October 2024	13 October 2027
Stephen Troup	14 October 2024	13 October 2027

The Board is advised by the Executive Directors who are listed below:

Table 3: Executive (Senior Management Team – SMT)

Executive	Role	Appointment end date
Peter Thompson	Accounting Officer	1 April 2012 to present
Tom Skrinar	Director of Finance, Planning & Technology	21 August 2023 to present
Clare Ettinghausen	Director of Strategy & Corporate Affairs	29 January 2018 to present
Rachel Cutting	Director of Compliance & Information	11 November 2019 to present

The Board normally meets 6 times a year. These meetings are open to the public (virtually) and video recordings of the meetings are made available on our website. The Board monitors and reviews the organisation's performance regularly, based on the management information briefings and commentaries which the Executive provides (as outlined in the Performance section of this report).

Table 4: Board member attendances

Details of Board members and Committee attendance are below:

Board members	Board Meetings	Audit and Governance Committee	Remuneration Committee
Julia Chain (Chair)	7(7)[2]	N/a	1 (1)
Catharine Seddon (Audit and Governance Committee Chair)	7 (7)	7 (7)[4]	1 (1)
Tim Child	5 (7)	N/a	1 (1)
Frances Flinter	7 (7)	N/a	N/a
Graham James	5 (7)	N/a	N/a
Geeta Nargund	6 (7)	N/a	N/a
Alex Kafetz	7 (7)	7 (7)	N/a
Zeynep Gurtin	6 (7)	N/a	N/a

[2] The figures within brackets are the number of meetings the member was eligible to attend. The Board had one additional meeting to discuss Choose a Fertility Clinic and the Audit and Governance Committee had an additional 3 extraordinary meetings that were attended by all 4 members of the committee.

Alison McTavish	7 (7)	N/a	N/a
Christine Watson	6 (7)	N/a	N/a
Tom Fowler	7 (7)	6 (7)	N/a
Rosamund Scott	7 (7)	N/a	N/a
Anya Sizer	7 (7)	N/a	N/a
Stephen Troup	7 (7)	N/a	N/a

Biographies of our board members are available at https://www.hfea.gov.uk/about-us/our-people/meet-our-authority-members/

Interests of Board members

We maintain a register of interests for all Board members and each interest is assessed to determine whether it represents a conflict. During the year no Board member, member of the executive or any other related parties have undertaken any material transactions with the HFEA.

Board Administration

The administration for the Board is the responsibility of the Director of Finance, Planning and Technology. They are supported by the Head of Governance and the Board Governance Manager, who maintains the Board's main procedures, policies, corporate records, and terms of reference. Additionally, its sub-committees are supported by committee secretaries.

Highlights of Board meetings in 2025-26

During the year, the Board focused on delivery of the HFEA's statutory functions, oversight of regulatory performance, financial sustainability, digital transformation, and engagement with clinics and stakeholders. Below are some of the key areas considered by the Board during 2025-26:

Standing items

- Chair and Chief Executive's reports
- Feedback from Committee Chairs
- Performance reports (KPIs)
- Financial performance, which focused in particular on the variability of the HFEA's income stream and resulting pressures on our financial position as well as the challenge of reducing a forecast deficit whilst experiencing increased IT costs
- Phoenix IT Programme updates covering programme benefits as well as progress of the programme and HFEA staff engagement and response to the new systems under development
- The Strategic Risk Register, reviewed in line with the new strategy for 2025-28 after initial consideration by the Audit and Governance Committee (AGC)

Significant non-standing items received include:

- 2024-25 Annual Performance report which demonstrated performance against our KPIs throughout the 2024-25 business year
- Approval of the 2024-25 Annual Report and Accounts after AGC consideration and recommendation at its June 2025 meeting

- Register Research Panel (RRP) Annual Report, which detailed approvals for making HFEA data available to the research sector
- Embryo testing paper which set out a range of policy issues that flow from scientific developments
- Progress reports on updating Choose a Fertility Clinic (CaFC), including the full publication of CaFC which was completed in January 2026
- 2026/27 Budget and fee proposal. The Authority was presented with a proposal to increase the expenditure budget and both IVF and DI fees
- Presentations on the Fertility Sector Report 2024-25 (formerly known as the 'State of the Sector') that was published in January 2026
- Regulation of Artificial Intelligence (AI) in Fertility Treatment. The report provided an overview of the uses of AI technologies across the fertility sector and its regulatory framework
- Approval of revised financial delegations of the Accounting Officer
- Summary of Licensing Activity 2025: a review of the calendar year's activities including committees, licensing data, and observer feedback
- Review and changes to the Standing Orders which incorporate recommendations arising from the committee effectiveness reviews that had been undertaken
- Consent to storage; a proposal to change the policy on unlawful storage
- Business Plan activities (priorities) for 2026-27 incorporating the agreed budget and timeframes for submission to the Department of Health and Social Care

Details of all meetings and associated papers can be found on our website at: Authority meetings | HFEA

The Board is supported by the Audit and Governance Committee, the Remuneration Committee, and other Standing Committees as detailed within our Standing Orders.

Board Committees

Audit and Governance Committee (AGC)

This Committee supports the Board and Accounting Officer by monitoring the adequacy of the HFEA's control framework that ensures compliance with relevant regulations and standards. AGC also monitors risks to our organisation's ability to achieve its objectives. It ensures that our approach to assurance is appropriate. To do this the committee constructively reviews and challenges management reports as well as those of our internal and external auditors, with a particular focus on risk management, corporate governance, and the integrity of our financial statements.

Meetings are attended by the National Audit Office (NAO) and our Internal Auditors; the Government Internal Audit Agency (GIAA), whom the committee also meets independently of management at each meeting. Each year, an Audit Committee chair from a fellow ALB is invited to observe one of our meetings with our AGC Chair reciprocating.

The committee is chaired by Catharine Seddon supported by Authority members, Alex Kafetz (also deputy Chair and Authority lead for IT and Cyber-Security) and Tom Fowler, in addition a financially qualified co-opted external member Anne Marie Millar. AGC held 4 full meetings in 2025-26 and 3 additional meetings to discuss impairments, publication of Choose a Facility Clinic (CaFC) data and proposals for internal audit provision.

During 2025-26, the committee considered the following:

Standing items include:

- Government Internal Audit Agency progress reports
- Reports on progress in responding to historic audit recommendations and agreeing an approach for dealing with older DSPT audit recommendations and the use of external consultancy resource
- Risk updates, commencing with a grass roots review of the Strategic Risk Register for 2025-26 and discussion of potential horizon scanning items
- Digital projects updates, covering ongoing work on the clinic data submissions system (PRISM) and the Phoenix Programme which included progress against time and budget as well as the management of project risks.
- Resilience, cyber security, and business continuity updates
- Register of Interests, Gifts and Hospitality
- Annually AGC hold a training session on a relevant topic, and this training session is opened up to all Board members. Past topics include assurance mapping and audit role and responsibilities.

Significant non-standing received items include:

- An Information Governance and Security Risk Management position statement, including the Cyber Assessment Framework (CAF) aligned Data Protection Toolkit (DSPT), was received and agreed (Jun-25)
- A full draft of the 2024-25 Annual Report and Accounts were reviewed in June 2025, alongside the Audit Completion Report prior to the Board's final approval in July. Following the review, the committee was content that the final accounts were fair, balanced, and understandable. On this basis, they recommended that the Board approve the final version. (Jun-25)
- Audit Completion Report from the National Audit Office covering the 2024-25 annual report and accounts with a proposed unqualified audit opinion (Jun-25)
- Senior Information Risk Officer (SIRO) Report detailing how strategic information risks and Information Governance tasks are managed (Jun-25)
- Considered issues relating to publication of interim and full CaFC, including agreeing detailed methodologies used to calculate success rates
- HR Strategy, which included an overview of the HR function, workforce profile, and key components of the strategy (recruitment, employee development, leadership, diversity, inclusion and wellbeing, organisational design, and delivery) (Jun-25)
- Adoption of the Global Internal Audit Standards and an update on current arrangements for engagement with the internal auditors (Oct-25)
- A revised Strategic Risk Management policy was received that had been simplified and updated in line with the HM Treasury Orange Book (Oct-25)
- A confidential deep dive report into external whistleblowing was received which looked at process, the number of external whistleblowing cases, themes identified and the correlation between external whistleblowing allegations received and clinic inspection findings. (Oct-25)
- Cyber Assessment Framework (CAF)-aligned DSPT and 2025 audit which included an improvement plan and details of the requirements for the 2025 audit (Oct-25)

- The HFEA's approach to the adoption of and compliance with the Government Functional Standards
- Counter Fraud Strategy (2025-28) along with the fraud risk assessment and resulting action plan for the 2025-26 business year (Oct-25 and Dec-25)
- Reserves Policy which looks at the level of reserves that HFEA needs to retain, which is reviewed annually (Oct-25)
- An early reflections report on the 2025-26 financial statements audit was provided by the National Audit Office (NAO) (Dec-25)
- Bi-annual HR report which covered staff survey results and end of year exit interviews report (Dec-25)
- Committee effectiveness review which feeds into the wider Annual Governance Review which is presented to the Authority in March each year. (Dec-25)
- Accounting Policies, including an agreement not to amend the useful life of our clinic data submission system (PRISM) (Feb-26)
- The committee approved the revised Business Continuity policy and the related standard operating procedures, including the Critical Incident Risk Register, which were tabled as part of a deep dive into business continuity
- Outline plan of the Annual Governance Statement for the 2025-26 annual report and accounts (Feb-26)
- Public Interest Disclosure (Whistleblowing) Policy (Feb-26)
- Annually AGC undertake a review of its effectiveness.

We publish all papers presented to the committee on our website, except those that are redacted for legal reasons, the others can be found here.

Remuneration Committee (RemCo)

This committee considers matters pertaining to remuneration of both the Chief Executive and HFEA staff within the framework of HM Treasury's guidelines. This committee is chaired by Julia Chain (Chair of the Board) and supported by Catharine Seddon (AGC Chair) and Tim Child. The committee met once in July of the 2025-26 business year.

Standing committees

Licence Committee (LC)

Licence Committee meets 6 times per year and consists of 7 members of the Authority. It considers more complex renewal and interim inspection reports or variations, as well as Grade A incidents and applications for new research licences. This committee is chaired by Rt Rev Graham James supported by Alison McTavish (Deputy Chair).

Executive Licence Panel (ELP)

Executive Licensing Panel (ELP) meets 25 times a year and consists of 9 members of staff sitting in panels of 3. It considers more routine inspection reports and licence variation applications. The ELP is chaired by 2 members of the Senior Management Team who alternate chairing meetings.

Oversight Committee

The purpose of the Oversight Committee is to fulfil the functions as set out in the Human Fertilisation and Embryology (disclosure of information for research purposes) regulations 2010. Membership consists of 4 Authority (board) members who will meet at least once a year to consider an overview report of the Register Research Panel. The Oversight Committee is chaired by Julia Chain (Chair of the Board) with the rest of the committee being board members.

Licence Committee that hears Representations

This committee is the first stage appeal committee against licensing decisions (but not decisions to suspend a licence). It consists of 7 independent members who are not Authority members and meets on an ad hoc basis, as and when licensing appeals are made.

Appeals Committee

This committee is the second and final stage in the licensing appeals process and considers matters that have either already been before the Licence Committee that hears Representations or matters where the initial decision was a licence suspension. The Appeals Committee consists of 7 independent members who are not Authority members or members of the Licence Committee that hears Representations and also meets on an ad hoc basis as and when licensing appeals are made.

Statutory Approvals Committee (SAC)

This committee considers applications for the use of pre-implantation genetic testing for monogenic disorders (PGT-M), Mitochondrial donation treatment and Human Leucocyte Antigen (HLA) tissue typing. The committee also considers applications for 'special directions,' to allow the import or export of gametes and embryos or any new fertility treatment or technique. The committee meets 12 times a year and operates from a pool of up to 10 members with no more than 5 members attending each meeting. This committee is chaired by Frances Flinter, supported by Deputy Chairs Geeta Nargund and Alex Kafetz, and is supported by external expert advisors, Legal advisor for all items, Special Advisors and commissioning of Peer Reviewers and Genetic alliance reviews. None of the latter have voting rights.

Scientific and Clinical Advances Advisory Committee (SCAAC)

The purpose of the SCAAC is to advise the Authority on scientific and clinical developments (including research) in assisted conception, embryo research, and related areas. The committee meets 3 times a year and consists of 6 Authority members and eleven External Advisors. The committee is chaired by board member, Tim Child.

Register Research Panel (RRP)

The purpose of the Register Research Panel is to consider applications made under the Act and/or the 2010 regulations. The panel meets as required in accordance with any memorandum of understanding between the Authority and bodies responsible for national information governance and consists of a membership panel of 8, all of whom are members of the executive.

Board and Committee effectiveness

The board is committed to the highest standards of corporate governance and periodically reflects on its effectiveness. In April 2022 new guidance was issued by the Government on board effectiveness reviews (BER[3]), including principles and resources for arm's length bodies and sponsoring departments. In September 2025, a review was undertaken by the Chair, and results were collated and shared at the November 2025 meeting. Actions arising from the review have been implemented or are due to commence in 2026-27 business year. Below are some of the actions agreed:

- Chairs of committees to meet with the Authority Chair and Chief Executive once a year.
- All Authority and Committee members to attend inspections with priority given to Licence Committee members

[3] Board effectiveness reviews: principles and resources for arm's-length bodies and sponsoring departments - GOV.UK

On an annual basis all committees are required to review their own effectiveness using a standard template. Between September 2025 and March 2026 this exercise was conducted by the Licence Committee, Executive Licensing Panel, Statutory Approvals Committee, the Scientific and Clinical Advances Advisory Committee and the Register Research Panel. An overview of all of the HFEA's governance reviews in 2025-26 was presented to the Authority at its March meeting.

Generally, the feedback from committees has been positive. Below are just some of the feedback from committees and possible actions that could be taken.

Table 5:Feedback

Committee	Recommendation	Actions taken
Audit and Governance Committee	The committee questioned if they issue sufficient guidelines concerning the format and content of papers presented to them.	Provision of Standard Operating Procedures and templates to be shared
	Knowledge of challenging the external audit plan and assessing the performance of external audit could be improved	External auditors held a training session to address
Executive Licence Panel and Licence Committee	Improve the dialogue between the ELP and LC	Chair and Deputy Chair of LC to connect with ELP Chair
Licence Committee	Members would like to better understand the inspectorate's approach to inspection	Compliance to arrange for members to observe an inspection
Statutory Approvals Committee	Bolster membership to balance workload	Licensing team to consider a vice chair
Scientific and Clinical Advances Advisory Committee	Extend length of meetings to allow fuller discussion	A full day is allocated which will facilitate the ned to extend discussion
Register Research Panel	Timeline between submission of papers and meetings is sometimes not long enough	Papers will be shared at least 2 weeks before meetings

Corporate Governance

We have a framework agreement with the Department of Health and Social Care which defines the critical elements of our relationship with them. The way in which we work with DHSC and how we both discharge our accountability responsibilities effectively is outlined in the agreement. The Chair and Chief Executive meet the Senior Departmental Sponsor (SDS) at DHSC for a formal annual accountability review and

informally throughout the year. In addition, the HFEA's SMT meets other DHSC officials at quarterly intervals and has regular contact as issues require. Representatives from DHSC are also present as observers at Board meetings of the Authority and at the Audit and Governance Committee.

The operational objectives that help us deliver our corporate strategy are set out in the annual business plan. Drafts of this document are shared with DHSC in advance and quarterly monitoring information is also submitted to them. Along with meetings with the SDS and other officials at DHSC, this provides assurance of the HFEA's performance and risk management, and that the delivery of its objectives is on track.

Our system of corporate governance complies with the requirements of the 'Corporate governance in central Government departments: code of good practice,' in so far as they relate to ALBs. It is designed to ensure that sufficient oversight of operational matters is held by our Authority and Audit and Governance Committee, while allowing for clear accountability and internal control systems at Executive level.

Quality of data used by the Board

The papers on which the Board (and its committees) rely on are subject to a rigorous internal assurance process, overseen by the relevant member of the SMT. Feedback from committee reviews is that the papers submitted are timely and of good quality.

Performance Management framework

Our performance management framework links closely to risk management. It includes periodic reporting at different levels of granularity of performance to the Board, the SMT and some of our committees.

This performance reporting covers:

- financial and non-financial information, key risks and issues, and an assessment of delivery against strategic commitments
- business plan delivery at both corporate and operational levels
- other work, such as delivery of specific projects and programmes

Our performance framework and individual performance indicators are kept under periodic review to ensure they remain meaningful and effective and support transparent governance. A formal review was conducted in November 2025 and included a complete review of KPI, Standard Operating Procedures and data validation by function. Our performance reports included in meeting papers are published on our website and can be found at https://www.hfea.gov.uk/about-us/our-people/authority-meetings/

Risk management framework and organisational risk appetite

Risk management is essential for good governance and informs decision-making at all levels. We continually review and refine how we manage risk, so we can monitor and improve the effectiveness of our strategic delivery, processes, and controls. The Audit and Governance Committee (AGC) oversees the HFEA's risk management framework and evaluates its effectiveness, providing assurance to the board.

Our Risk Management Policy sets out the process for identifying, managing, and mitigating risk across the organisation. It is aligned with HM Treasury's Orange Book guidance, in particular following the 3 lines model of roles and responsibilities.

As best practice, the risk management policy, and our risk Appetite Statement undergo a review every 2 years (or following significant changes to our operating environment, in line with a new organisational

strategy, or updates to The Orange book) with the executive team and are scrutinised by the AGC. The risk appetite statement sets out the level of risk we are willing to accept to meet our strategic objectives.

Risk assessment

Risk registers are maintained at operational and strategic levels supported by the risk appetite statement. Strategic risks are managed by the Senior Management Team, with operational risks managed at a team level and are discussed at the HFEA's Corporate Management Group on a monthly basis.

The strategic risk register captures those risks with the potential to have a significant impact on the business and delivery of the objectives set out in our strategy. Each risk is owned by a member of the SMT. The Strategic Risk register is revised fully on an annual basis. It is reviewed biannually by the Authority and is reviewed at each AGC meeting to confirm that the risks remain relevant and are being effectively managed.

During 2025-26, the executive and AGC carried out a horizon scanning exercise and detailed review of the HFEA's risk landscape to develop a refreshed understanding of the risks it now faces, producing a set of 5 strategic risks. These are detailed on pages 15-16 within the performance report on page 8.

An internal audit of our risk management framework was undertaken in 2025-26 which did not result in any significant failings or weaknesses.

Regulatory risk

Alongside its arrangements for managing risk within the organisation, we also take a risk-based approach to the way we regulate the fertility sector. In inspecting and regulating clinics, we use a risk-based assessment tool, ensuring that our regulatory resources are targeted proportionately and reasonably. This risk-based approach extends to our Compliance and Enforcement Policy which utilises a risk matrix to ensure regulatory decisions and actions are consistent across inspections. The policy and risk-based tool (and all other processes used by the HFEA in carrying out its functions) are subject to a rigorous quality assurance regime.

Information management and security.

We adopt a risk-based approach to information governance, aligned to official guidance from relevant bodies. Board-level responsibility for the management of information risk rests with the Director of Finance, Planning and Technology, who is the nominated Senior Information Risk Owner (SIRO). We have a Senior Information Governance and Records Manager and an external consultant who is our Data Protection Officer (DPO), with responsibilities outlined in the UK General Data Protection Regulation (GDPR).

Policies and procedures for the management of personal and corporate data are reviewed internally by an Information Governance and Cyber Steering Group, ensuring that policies and procedures are in line with best practice, relevant legislation, and standards. The group is chaired by the SIRO and includes the Director of Compliance and Information, Heads of IT and Information and their teams and our DPO. Our Head of Information is also our appointed Caldicott Guardian, responsible for ensuring any patient data is used legally and within confidentiality guidelines.

Information risks are considered within the risk management framework and reported to the Information Governance and Cyber Steering Group.

All staff, including board members are required to complete annual information governance and records management training.

The Audit and Governance Committee reviews information governance arrangements on an annual basis through provision of the annual SIRO report, which provides assurance relating to requirements of the Data Security Protection Toolkit.

In the 2025-26 reporting year, the HFEA recorded 4 data breaches. Most of these were low risk email related errors and a single instance of insufficient redaction in Opening the Register which was reported to the Information Commissioners Office (ICO). Actions have been put in place to ensure that such a breach does not recur.

Internal incidents

Our risk management strategy includes our internal incidents reporting procedure. The aim of our incidents system is to enable the HFEA to understand and learn from internal adverse events that cause, or have the potential to cause, harm to the HFEA and/or patients and which need corrective action. We categorise near misses as occurrences where harm was prevented or avoided, either by chance or appropriate intervention.

Counter Fraud policy

Our Anti-Fraud, Bribery and Corruption policy sets out clear roles and responsibilities, explains how staff must conduct business and report suspected fraud, and details how cases will be investigated.

2025-26 was the first year of our current Counter Fraud Strategy, which covers the period 2025 to 2027. Within this we have made progress against our objectives and action plan for the year. We continue to work towards full compliance with the Counter Fraud functional standard: GovS 013. The final area of compliance that we are working towards is embedding performance metrics, specifically qualitative data on fraud prevention. We also participate in the National Fraud initiative exercise that happens every 2 years.

Raising awareness of fraud, bribery and corruption is ongoing through intranet articles, speakers at all-staff events, presentations, and mandatory training via Civil Service-Learning portal.

AGC approves the annual fraud action plans and reviews our fraud risk assessments which are conducted quarterly.

During 2025-26 there were no cases of fraud reported.

Internal Whistleblowing

Whistleblowing is covered by our ‘Public Interest Disclosure (whistleblowing)’ policy which is available to all employees via the intranet. We offer several avenues for staff to raise concerns including the use of external whistleblowing hotlines. Our policy was reviewed and approved by the Audit and Governance Committee in February 2026.

During 2025-26, there were no concerns raised under the policy or via external hotlines.

Government Functional Standards

Functional standards exist to create a coherent, effective, and mutually understood way of doing business within government organisations and across organisational boundaries and to provide a stable basis for assurance, risk management, and capability improvement. They are mandated for use in departments and their arm’s length bodies. The HFEA maintains annual self-assessments against each functional standard and actions are in place to better align our functional approaches where they are not consistent with mandatory requirements.

Internal Audit

Our internal audit service is provided by the Government Internal Audit Agency (GIAA). During 2025-26 financial year 5 reviews were conducted as detailed in table 7 below. The key findings and outcomes have either been addressed or are being addressed at the start of the next financial year. During the audits, our internal auditors identified areas of good practice as well as opportunities for developing and improving current activities.

The table below is the definition of GIAA assurance opinions:

Table 6

Rating	Definition
Substantial	The framework of governance, risk management and control is adequate and effective
Moderate	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management, and control
Limited	There are significant weaknesses in the framework of governance, risk management, and control such that it could be or could become inadequate and ineffective
Unsatisfactory	There are fundamental weaknesses in the framework of governance, risk management, and control such that it is inadequate and ineffective or is likely to fail

The 2025-26 audit programme agreed by AGC covered the following areas:

Table 7

Audit area	**Assurance rating**	**Total agreed actions**		
Engagement title		**High**	**Med**	**Low**
Cyber Assessment Framework	Limited	2	1	0
Response to Public Bodies Review	Moderate	0	0	2
Cash Management and Non-current Assets	Moderate	0	2	1
Risk Management	Moderate	0	1	4
Staff Retention and Wellbeing	Moderate	0	1	4
Total recommendations =		**2**	**5**	**11**

The limited rating for the Cyber Assessment Framework (CAF) is based on GIAA's confirmation of the HFEA's self-assessment for the 2025-26 CAF-aligned DSPT review, as mandated by NHS England. The 2 'high' rated actions within the CAF audit relate to recovery plans needing to be developed to guide the prioritisation and guidance of recovery activities; the need to be communicated and rehearsed. We have since updated our business continuity and critical incident plans and have had a positive result to a test of our communication channels to ensure staff are familiar with the actions needed to be taken and their roles and responsibilities.

Head of Internal Audit opinion

In accordance with the requirements of the UK Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide the Accounting Officer with his annual opinion of the overall adequacy and effectiveness of the organisation's risk management, control, and governance processes.

His opinion is based on the outcomes of the work that Internal Audit has conducted throughout the course of the reporting year. There have been no undue limitations on the scope of internal audit work, and the appropriate level of resource has been in place to enable the function to satisfactorily complete the work planned.

In summary, the overall opinion given to the Accounting Officer, in keeping with last year was ‘moderate assurance’ that HFEA has had adequate and effective systems of control, governance, and risk management in place for the reporting year 2025-26.

Accounting Officer’s conclusion

As Accounting Officer, I place reliance on the internal system of control. These include but were not limited to:

- Oversight by the Board and its sub-committees including the Audit and Governance Committee.
- The work and opinions provided by our internal auditors.
- Senior managers within the organisation, who had responsibility for the development and maintenance of the system of internal control.
- Regular reporting to the Executive Team on performance and risk management.

I have noted the GIAA’s annual report, which in accordance with the Public Sector Internal Audit Standards, concludes that the HFEA "has adequate and effective governance, risk and control arrangements” through:

- Conducting a detailed risk-based internal audit needs assessment, with prioritised activity over a three-year planning period to design an internal audit strategy and annual operational plan.
- All audit conducted during 2025-26.
- Monitoring the implementation of internal audit recommendations throughout the year.

Peter Thompson
Chief Executive
Accounting Officer **25 June 2026**

Remuneration and staff report

The remuneration and staff report provides details of the remuneration (including any non-cash remuneration) and pension interests of board members and the directors who regularly attend board meetings.

Remuneration policy

The remuneration levels of board members are set nationally by the Cabinet Office and are summarised in the table below. Revisions are made in accordance with the agreement on the pay framework for ALB chairs and non-executive directors, first announced in March 2006. We implement the revisions when instructed. The remuneration of non-executive directors has remained the same for a number of years.

There are no provisions in place to compensate for the early termination or payment of a bonus in respect of non-executive Board members. Non-executive Board members are not eligible for pension contributions or performance-related pay as a result of their employment with the Regulations and corporate policies.

Details of the senior managers' remuneration, given in the following tables, are set and reviewed in line with DHSC guidance Pay Framework for Executive Senior Managers (ESM) in Arm's Length Bodies.

Senior managers employed under the ESM framework are under stated contracts of employment on terms and conditions as set out by Department of Health and Social Care. All those contained in the senior managers' remuneration table below are subject to annual appraisals on their performance.

Remuneration of board members for the year ended 31 March 2026 (Audited)

Name	Salary range £000s	Expenses (to nearest £100)[4] £	Total £000s	Salary range £000s	Expenses (to nearest £100) £	Total £000s
	2025/26	2025/26	2025/26	2024/25	2024/25	2024/25
Julia Chain (Chair)	45-50	900	45-50	45-50	2,600	45-50
Catharine Seddon (Deputy Chair)	10-15	0	10-15	10-15	200	10-15
Jonathan Herring[5]	N/a	N/a	N/a	0-5 (Fye 5-10)	0	0-5
Gudrun More[7]	N/a	N/a	N/a	0-5(Fye 5-10)	0	0-5
Tim Child	5-10	700	5-10	5-10	1,200	5-10
Geeta Nargund	5-10	0	5-10	5-10	300	5-10
Alison McTavish	5-10	2,100	10-15	5-10	1,400	5-10

[4] These expenses are shown gross of tax and national insurance.
[5] These members' terms came to an ended in October 2024

Alex Kafetz	5-10	0	5-10	5-10	100	5-10
Zeynep Gurtin	5-10	0	5-10	5-10	0	5-10
Graham James	5-10	2,600	10-15	5-10	1,600	5-10
Frances Flinter	5-10	0	5-10	5-10	100	5-10
Christine Watson	5-10	500	5-10	5-10	600	5-10
Tom Fowler	5-10	4,100	10-15	0-5(Fye 5-10)	1,000	0-5
Rosamund Scott	5-10	0	5-10	0-5(Fye 5-10	0	0-5
Anya Sizer	5-10	0	5-10	0-5(Fye 5-10)	0	0-5
Stephen Troup	5-10	1,800	5-10	0-5(Fye 5-10)	1,200	0-5

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by us and treated by HMRC as a taxable emolument. Previously we had a PAYE settlement agreement (PSA) with HMRC in regard to taxable emoluments of Authority members and some of our compliance staff, for the travel, accommodation, meals, and subsistence for which we pay the tax and national insurance due. In 2019, the PSA was removed by HMRC. The taxable emoluments are now payrolled and the figures on the above table are the gross payments.

Information regarding travel and subsistence claimed by Authority members and senior management is published on our website https://www.hfea.gov.uk/about-us/what-we-spend-and-how/

Reward systems and approval mechanisms for staff

Our remuneration recommendations are based on the Civil Service pay guidance issued annually by HM Treasury.

Pay awards are made to eligible staff in accordance with the Government limits of a percentage of the total pay-bill. In 2025-26, a pay award agreed by the Remuneration Committee of 3.25% was paid.

Pay levels are reviewed annually through the Remuneration Committee, which has specific responsibility to monitor overall levels of remuneration and to approve the remuneration of the Chief Executive and the Directors (see below).

Performance appraisal

A personal objective-setting process that is aligned with the business plan is agreed with each member of staff annually and all staff are subject to an annual performance appraisal.

Chief Executive and directors (Audited)

The Chief Executive's pay is set in accordance with the recommendation of the Chair, subject to the review of the Remuneration Committee and with the agreement of the DHSC. This is in accordance with the pay framework for very senior managers (VSM) in ALBs, informed by the Senior Staff Salaries Review Board. Remuneration of the directors must be approved by the Remuneration Committee and is based on proposals received from the Chief Executive, in accordance with the VSM pay framework. The members of the Remuneration Committee during the year were Julia Chain (Chair), Catharine Seddon and Tim Child.

Remuneration and pension benefits of the senior management team (Audited)

Name	Salary (£'000)		Bonus payments (£'000s)		Benefits in kind (to nearest £100)		Pension benefits[6] (£)		Total (£'000s)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25[7]	2025/26	2024/25
Peter Thompson	165-170	160-165	0	0	0	0	13,000	149,000	175-180	305-310
Rachel Cutting	105-110	100-105	0	5-10	0	0	41,000	40,000	145-150	150-155
Clare Ettinghausen	105-110	105-110	5-10	5-10	0	0	42,000	40,000	155-160	155-160
Tom Skrinar[8]	95-100	55-60 (Fye 90-95)	0	0	0	0	30,000	147,000	125-130	190-195

Definitions

'Salary' includes gross salary, overtime; recruitment and retention allowances and any other allowance that is subject to UK taxation.

'Total remuneration' includes salary, non-consolidated performance-related pay, and benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

'Benefits in kind' covers the monetary value of any benefits provided by the employer.

This report is based on payments made by us and thus recorded in these accounts.

[6] The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
[7] The pension benefit figures for 2024-25 differ from the audited accounts as per MyCSP, these figures were over-stated.
[8] Tom Skrinar was 0.5Fte in 2024-25 and 1Fte in 2025-26

Remuneration and pension entitlements

HM Treasury Financial Reporting Manual (FReM) requires us to provide information on the remuneration and pension rights of the named individuals who are our most senior managers.

The following table provides details of the remuneration and pensions of the Chief Executive and directors. These figures are subject to audit.

Pension entitlements of the most senior managers in the HFEA (Audited)

Name and position	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2026	Lump sum at pension age related to accrued pension at 31 March 2026	CETV at 31 March 2026	Real increase in CETV[9]	CETV[10] at 1 April 2025	Employer's contribution to stakeholder pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	(To nearest £1,000	(To nearest £1,000)	(To nearest £1,000)	
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Peter Thompson	0-2.5	0	90-95	0	1879	1	1,814	0
Rachel Cutting	0-2.5	0	15-20	0	237	28	198	0
Clare Ettinghausen	0-2.5	0	20-25	0	309	28	268	0
Tom Skrinar	0-2.5	0	30-35	0	592	18	501	0

All senior managers listed are employed on a permanent basis and are covered by the terms of the Principal Civil Service Pension Scheme.

Note: CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance has been used in the calculation of 2025-26 CETV figures.

As non-executive directors do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive directors.

[9] "Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23 but are reported in the legacy scheme for the same period in 2023-24.

[10] CETV is the Cash Equivalent Transfer Value is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (other allowable beneficiary's) pension payable from the scheme.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Civil Service Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "Alpha" are unfunded multi-employer defined benefit schemes, but the HFEA is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.
The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with 'The occupational pension schemes (transfer values) (amendment) regulations 2008' and do not take account of any actual or potential reduction to benefits resulting from lifetime allowance tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions (including the value of any benefits transferred from another pension scheme or arrangement).

Pay ratios (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director / member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce.

Total remuneration is further broken down to show the relationship between the highest paid director's salary component of their total remuneration against the 25th percentile, median and 75th percentile of salary components of the organisation's workforce.

The banded remuneration of the highest paid director in the Human Fertilisation and Embryology Authority in the financial year 2025-26 was £165-£170k (2024-25, £160-£165k). The relationship to the remuneration of the organisation's workforce is disclosed in the table below.

		2025-26	2024-25
	Highest paid director mid-point	**£167,500**	**£162,500**
25th Percentile	Total remuneration	£37,899	£34,650
	Total remuneration ratio	4.42	4.69
	Salary only	£37,899	£34,650
Median	Total remuneration	£46,750	£40,824
	Total remuneration ratio	3.58	3.98
	Salary only	£46,483	£40,824
75th Percentile	Total remuneration	£54,206	£52,937
	Total remuneration ratio	3.09	3.07
	Salary only	£54,206	£52,500

The highest paid individual was not a director, however, for reporting purposes, the individual for this comparison was the Chief Executive. There has been a change in the total median ratio of staff since last year, which is primarily due to an increase in the Chief Executive's total remuneration in spite of an increase in the average total remuneration. There has also been a small change in the 75th percentile despite an increase in total remuneration and salary (2.4%) which is likely to be due to an uneven distribution of increases.

In 2025-26, 1 (2024-25, 1) employees received renumeration in excess of the highest-paid director. Remuneration ranged from £25,627[11] to £168,000, (2024-25 £7,884 to £163,000), the 2024-25 figure included non-executive pay and was not re-stated to exclude it following changes to the FreM for 2025-26.
Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include the employer pension contributions and the cash equivalent transfer value of pensions.

Percentage change in remuneration of the highest paid director (Audited)

FY	2025/26	2024/25	Change
Director – salary mid-point	£167,500	£162,500	3.1%

[11] Salary range no longer includes non-executive members as they are outside of the scope of fair pay according to the 2025-26 FReM

Director – performance pay	0	0	0%
Staff – average salary	£53,596	£46,790	14.5%
Staff – average performance pay	£214	£256	(8.9%)

In line with Cabinet Office pay policy, pay awards were made to HFEA staff during the reporting year. Bonus payment was made to one senior member of staff in the 2025-26 business year (2024-25: 2). Bonus payments made to senior staff are awarded in accordance with our performance management framework and Cabinet Office guidance on senior staff remuneration. These payments are based on individual performance appraisals, which assess each SMT member's delivery against agreed objectives, contribution to corporate priorities and demonstration of leadership values. The appraisal process is overseen by the Chief Executive Officer, who makes recommendations to the Remuneration Committee that approves SMT bonuses, subject to affordability.

Staff Report

Our people

At the HFEA our people are central to everything we do. Whether inspecting clinics and advising Persons Responsible, dealing with Opening The Register queries, or advising on policy. We are committed to building an open, diverse, and inclusive organisation.

In 2025, a People Strategy was launched for the period 2025 to 2027 which sets out a number of actions that will help us achieve our objectives. Progress is tracked through key performance data some of which is included in the tables below.

At 31 March 2026, our headcount (staff in post) was 88 (equates to Fte 85) staff members which excludes our Board members but includes our executive (senior management team). Below is a breakdown of our staff costs for 2025-26.

(Audited)

	Permanently employed staff	**Members**	**Temporary staff**	**2025/26 Total**	**2024/25 Total**
	£'000s	£'000s	£'000s	**£'000s**	£'000s
Salaries and wages	4,123	155	200	**4,478**	4,164
Social security costs	545	14	0	**559**	423
Other pension costs	1,146	0	0	**1,146**	1,063
Gross staff costs	**5,814**	**169**	**200**	**6,183**	5,650
Less recoveries in respect of outward secondments	0	0	0	**0**	(49)
Total Net Staff costs	**5,814**	**169**	**200**	**6,183**	5,601

The Average number of Full Time Equivalent (FTE) persons employed during the year (Audited)

	Permanently employed	Contractor	2025/26 Total	2024/25
SCS	4.0	0	**4.0**	3.6
Other	77.8	1.2	**79.0**	75.8
Total	81.8	1.2	**83.0**	79.4

Staff Turnover

As a small organisation our turnover figures will also look high due to the base number we work with. Our target range is 5-15%. Below is our turnover for the last 3 financial years. The 2025-26 year is higher than 2024-25 as the number of leavers rose from 3 in 2024-25 to 13 in 2025-26.

	2025/26 Total	2024/25 Total	2023/24 Total
Turnover	15.4%	3.8%	20%

Sickness absence

We have a target rate for sickness absences of 2.5% annually.

	2025/26 Total	2024/25 Total	2023/24 Total
Sickness rate	2.01%	2.8%	4.9%

Expenditure on consultancy

Consultancy expenditure during 2025-26 was £143,913 (2024-25 £165,515) and relates to legal costs. As required, this disclosure uses the definition of consultancy set out in the HM Treasury Financial Reporting Manual and therefore excludes professional services and contingent labour.

Equality information for staff

	31 March 2026	31 March 2026	31 March 2025	31 March 2025
	Number	**%**	**Number**	**%**
Gender[12]				
Female	75	85%	73	87%
Male	13	15%	12	13%
Total	**88**	**100%**	**85**	**100%**
Ethnic Origin				
Asian	4	5%	4	5%
Black	9	10%	6	7%
Mixed	3	3%	4	5%
White	69	79%	69	81%
Other	3	3%	2	2%
Total	**88**	**100%**	**85**	**100%**
Age				
18-29	11	12%	15	17%
30-39	26	30%	22	26%
40-49	23	26%	26	31%
50-59	19	22%	15	18%
60+	9	10%	7	8%
Total	**88**	**100%**	**85**	**100%**
Disability				
No	75	85%	76	89%
Yes	13	15%	9	11%
Total	**88**	**100%**	**85**	**100%**
Length of service				
Under 1 year	15	17%	8	9%
1 – 2 years	12	14%	14	17%
2 – 3 years	13	15%	11	13%
3 – 5 years	13	15%	12	14%
Over 5 years	20	23%	26	30%
Over 10 years	15	17%	14	17%
Total	**88**	**100%**	**85**	**100%**

[12] The figures exclude our Board whose gender mix for 2025-26 is 5 male/ 9 female (2024-25 6 male/ 8 females)

Exit packages (Audited)

2025/26

Exit package cost band (including any special payment element	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures	Total cost of exit packages
	#	£000's	#	£000's	£000's
Less than £10,000	0	0	0	0	0
£10,000-£25,000	0	0	0	0	0
£25,001-£50,000	0	0	1	42	42
£50,001-£100,000	0	0	0	0	0
£100,001-£150,000	0	0	0	0	0
£150,001-£200,000	0	0	0	0	0
>£200,000	0	0	0	0	0
Totals	**0**	**0**	**1**	**42**	**42**

Type of Other Departures	Agreements Number	Total Value of Agreements
	#	£000's
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	1	42
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	0	0
>£200,000	0	0
Totals	**1**	**42**

2024/25

Exit package cost band (including any special payment element	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures	Total cost of exit packages
	#	£000's	#	£000's	£000's
Less than £10,000	0	0	0	0	0
£10,000-£25,000	0	0	1	**22**	**22**
£25,001-£50,000	0	0	0	0	0
£50,001-£100,000	0	0	0	0	0
£100,001-£150,000	0	0	0	0	0
£150,001-£200,000	0	0	0	0	0
>£200,000	0	0	0	0	0
Totals	**0**	**0**	**1**	**22**	**22**

Type of Other Departures	Agreements Number	Total Value of Agreements
	#	£000's
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	1	22
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	0	0
>£200,000	0	0
Totals	**1**	**22**

The exit costs in this note were accounted for after the year of departure due to timing of settlement. Where the HFEA has agreed early retirements, the additional costs are met by the HFEA and not by the Civil Service pensions scheme. Ill-health retirement costs are met by the Civil Service pensions scheme and are not included in the table.

Review of tax arrangement of public sector appointees - off-payroll engagements

Off-payroll engagements assurance statement

For all off-payroll engagements as of 31 March 2026, for more than £245 per day.

Number of existing engagements as of 31 March 2026	**2**
Of which…	
Have existed for less than 1 year at time of reporting	0
Have existed for between 1 and 2 years at time of reporting	0
Have existed for between 2 and 3 years at time of reporting	0
Have existed for between 3 and 4 years at time of reporting	0
Have existed for 4 or more years at time of reporting	2

For all new off-payroll engagements, or those that reached 6 months duration, between 1 April 2025 and 31 March 2026, for more than £245 per day and that last for longer than 6 months

Number of existing engagements as of 31 March 2026	**2**
Of which…	
No. assessed as caught by IR35	1
No. assessed as not caught by IR35	1
No. engaged directly (via PSC contracted to department) and are on the department payroll	0
No. of engagements reassessed for consistency/assurance purposes during the year	0
No. or engagements that saw a change to IR35 status following the consistency review	0

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026.

No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	**0**

Total no. of individuals on payroll and off payroll that have been deemed "board members, and/or senior officials with significant financial responsibility," during the financial year.	**18**

Parliamentary accountability and audit report

Accountability

The purpose of the parliamentary accountability and audit report is to bring together the key parliamentary accountability documents within the Annual Report and Accounts.

Fees and charges (Audited)

Our licence fees are set to recover the full cost incurred in the granting of licences and regulation. The table below shows the income from the sector for licensing activities and the associated costs of licensing.

	2025/26	2024/25
	£'000s	£'000s
Income from regulatory activity	6,767	7,010
Costs allocated to regulatory activity	(7,569)	(6,934)
Surplus/(Deficit)	**(802)**	**76**

Licence fee income is derived from a fixed fee charged on the number of treatment cycles that are undertaken across the sector in the financial year.

The reduction from last year has been impacted by a downturn in billable cycles and reversals of accruals for duplicate billing that was significant in prior years but has now tailed off and a new provision made for potential over-estimation of billing to the remaining clinics who have yet to submit all of their cycle data. Only a small portion of the provision made in 2024-25 remains which relates to a specific clinic.

There are elements of our work that do not relate directly to the cost of regulating the fertility sector. The DHSC accordingly contributes to the funding of these activities through the provision of grant-in-aid.

We confirm that we have complied with the cost allocation and charging requirements as set out in HM Treasury's guidance.

Losses and special payments (Audited)

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for health service or passed legislation. By their nature they are items that should not arise and are therefore subject to special control procedures compared with the generality of payments.

The HFEA had no losses or special payments in 2025-26 (2024-25: £0).

Gifts

The HFEA did not receive or make a gift of any kind and value in 2025-26 (2024-25: 0).

Remote contingent liabilities (Audited)

A contingent liability arises where an event has taken place that gives an entity a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the body. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. In accordance with IAS 37, contingent liabilities are not recognised in the balance sheet but disclosed in a note to the Accounts.

There are no known remote contingent liabilities.

Peter Thompson
Chief Executive
Accounting Officer **25 June 2026**

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Human Fertilisation and Embryology Authority for the year ended 31 March 2026 under the Human Fertilisation and Embryology Act 1990.

The financial statements comprise the Human Fertilisation and Embryology Authority's:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Human Fertilisation and Embryology Authority's financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Human Fertilisation and Embryology Authority's affairs as at 31 March 2026 and its net comprehensive expenditure for the year then ended; and
- have been properly prepared in accordance with the Human Fertilisation and Embryology Act 1990 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Human Fertilisation and Embryology Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Human Fertilisation and Embryology Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Human Fertilisation and Embryology Authority'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.

My responsibilities and the responsibilities of the Authority and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Human Fertilisation and Embryology Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Human Fertilisation and Embryology Act 1990.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Human Fertilisation and Embryology Act 1990; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Human Fertilisation and Embryology Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Human Fertilisation and Embryology Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Authority and Accounting Officer for the financial statements

As explained more fully in the Statement of Authority and Accounting Officer's Responsibilities, the Authority and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation, and other matters;
- providing C&AG with additional information and explanations needed for his audit;
- providing C&AG with unrestricted access to persons within the Human Fertilisation and Embryology Authority from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Human Fertilisation and Embryology Act 1990.
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Human Fertilisation and Embryology Act 1990; and

- assessing the Human Fertilisation and Embryology Authority'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 Authority and Accounting Officer anticipates that the services provided by the Human Fertilisation and Embryology Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Human Fertilisation and Embryology Act 1990.

My 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 a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Human Fertilisation and Embryology Authority's accounting policies. Key performance indicators and performance incentives.
- inquired of management, Human Fertilisation and Embryology Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Human Fertilisation and Embryology Authority's policies and procedures on:
  - identifying, evaluating, and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Human Fertilisation and Embryology Authority's controls relating to the Human Fertilisation and Embryology Authority's compliance with the Human Fertilisation and Embryology Act 1990 and Managing Public Money.
- inquired of management, Human Fertilisation and Embryology Authority's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;

  - they had knowledge of any actual, suspected, or alleged fraud;

- discussed with the engagement team and the relevant internal specialists, including IT audit, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Human Fertilisation and Embryology Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Human Fertilisation and Embryology Authority's framework of authority and other legal and regulatory frameworks in which the Human Fertilisation and Embryology Authority operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Human Fertilisation and Embryology Authority. The key laws and regulations I considered in this context included Human Fertilisation and Embryology Act 1990, Managing Public Money, employment law, and pensions legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management and the Audit and Governance Committee concerning actual and potential litigation and claims;

- I reviewed minutes of meetings of those charged with governance and the Authority and internal audit reports;

- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies **29 June 2026**
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London

Financial statements

Statement of comprehensive net expenditure for the year ended 31 March 2026

	Notes	2025/26	2024/25
Income		**£'000s**	**£'000s**
Revenue from contracts with customers	4	(6,767)	(7,010)
Other Operating income	4	0	(49)
		(6,767)	(7,059)
Expenditure			
Staff costs	3	6,183	5,650
Purchase of goods and services	3	308	284
Non-cash costs	3	83	111
Other operating expenditure	3	2,253	1,290
		8,827	7,335
Net operating expenditure		**2,060**	276
Finance income		(103)	(165)
Finance expense		27	7
Net expenditure before taxation		**1,984**	118
Taxation		26	49
Net comprehensive expenditure for the year		**2,010**	167

There are no items of expenditure that should be shown as Other Comprehensive Expenditure. All items of income and expense arise from continuing activities.

Notes 1 to 16 on pages 69 to 84 form part of these financial statements.

Statement of financial position as at 31 March 2026

	Notes	31 March 2026	31 March 2025
		£'000s	**£'000s**
Non-current assets:			
Property, plant, and equipment	5	95	81
Right of Use Asset	5	481	699
Intangible Assets	7	248	294
Total non-current assets		**824**	**1,074**
Current assets:			
Contract and other receivables	9	1,327	1,408
Cash and cash equivalents	10	2,841	3,315
Total current assets		**4,168**	**4,723**
Total assets		**4,992**	**5,797**
Current liabilities			
Contract and other payables	11	(690)	(579)
Provisions	12	(233)	(68)
Lease liabilities	13	(126)	(135)
Total current liabilities		**(1,049)**	**(782)**
Non-current assets less net current liabilities		**3,943**	**5,015**
Non-current liabilities			
Lease liabilities	13	(370)	(567)
Total non-current liabilities		**(370)**	**(567)**
Total assets less liabilities		**3,573**	**4,448**
Taxpayers' equity			
I&E reserve		3,573	4,448
Total taxpayer's equity		**3,573**	**4,448**

Notes 1 to 16 on pages 69 to 84 form part of these financial statements

The financial statements were signed on behalf of the Human Fertilisation and Embryology Authority by:

Peter Thompson
Chief Executive Officer **25 June 2026**

Statement of cash flows for the year ended 31 March 2026

	Notes	2025/26	2024/25
		£'000s	£'000s
Cash flows from operating activities			
Net expenditure		(1,984)	(118)
Depreciation and amortisation	3	183	151
Impairment loss	3	0	93
Adjustment for net finance costs		27	7
(Increase)/Decrease in trade and other receivables	9	81	(287)
Increase/(Decrease) in trade and other payables	11	110	(105)
Loss on disposal of non-current assets	3	1	0
Taxation		(26)	(49)
Increase/(Decrease) in provisions	12	165	(127)
Net cash inflow/(outflow) from operating activities		**(1,443)**	**(435)**
Cash flows from investing activities			
Purchase of property, plant, and equipment	5	(47)	(58)
Net cash inflow/(outflow) from investing activities		**(47)**	**(58)**
Cash flows from financing activities			
Grants from sponsoring department		1,135	410
Capital element paid in respect of lease obligations		(92)	(139)
Interest paid in respect of lease obligations		(27)	(7)
Net cash inflow/(outflow) from financing activities		**1,016**	**264**
Net (decrease) in cash and cash equivalents in the period	10	(474)	(229)
Cash and cash equivalents at the beginning of the period	10	3,315	3,544
Cash and cash equivalents at the end of the period		**2,841**	**3,315**

Notes 1 to 16 on pages 69 to 84 form part of these financial statements

Statement of changes in taxpayers' equity
For the year ended 31 March 2026

	Total I&E Reserve
	£'000s
Balance at 1 April 2024	**4,205**
Changes in taxpayers' equity for the year ended 31 March 2025	
Grant in aid from the Department of Health and Social Care	410
Comprehensive expenditure for the year	(167)
Balance at 31 March 2025	**4,448**
Grant in aid from the Department of Health and Social Care	1,135
Comprehensive expenditure for the year	(2,010)
Balance at 31 March 2026	**3,573**

Notes 1 to 16 on pages 69 to 84 form part of these financial statements

Notes to the accounts

1.1 Statement of accounting policies

The 2025-26 HFEA accounts are prepared in a form directed by the Secretary of State for Health in the 2025 Framework Agreement, in accordance with section six of the 1990 Act (as amended).
The accounts are prepared in accordance with the accounting and disclosure requirements given in the HM Treasury Financial Reporting Manual (FreM), insofar as these are appropriate to the HFEA and are in force for the financial year for which the statements are prepared. The accounting policies contained in the FreM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FreM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstance of the HFEA for the purpose of giving a true and fair view has been selected.

The particular policies adopted by the HFEA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Going concern

The going concern basis of accounting for the HFEA is adopted in consideration of the requirements set out in the International Accounting Standards as interpreted by HM Treasury's Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements, where it is anticipated that the services they provide will continue in the future.

The Department of Health and Social Care (DHSC) has confirmed our funding will continue and next year's funding has been agreed. We have agreed our budget for next year including our licence fees. There is a strong presumption for the continued provision of our services for a minimum of 12 months from the date the annual report and accounts are authorised. We consider it appropriate to prepare the 2025-26 financial statements on a going concern basis.

1.3 Accounting convention

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FreM) and the Accounts Direction issued by the Department of Health and Social Care. The accounting policies contained in the FreM apply International Financial Reporting Standards (IFRS), as adapted or interpreted for the public sector context.

The financial statements have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment and right-of-use assets at current value in existing use.

In accordance with HM Treasury guidance, assets held for their operational capacity are valued at current value in existing use. For the HFEA, which holds assets primarily to support the delivery of our statutory regulatory functions, this is interpreted as fair value in existing use.

Given the nature of our asset base, which comprises assets with relatively short useful lives and low values, depreciated historical cost is considered to be a reasonable approximation of current value in existing use.

We would apply a revaluation approach based on periodic review, supported where appropriate by the use of relevant indices. No material differences between carrying value and current value have been identified during the year.

The HFEA does not hold any assets for investment purposes.

1.4 Property, plant, and equipment

Property, plant, and equipment are capitalised where expenditure is expected to provide future economic benefits or service potential and exceeds the HFEA's capitalisation threshold of £5,000.

Assets are initially recognised at cost, including any costs directly attributable to bringing the asset into working condition for its intended use. Subsequently, assets are measured at current value in existing use in accordance with the FreM. For assets held for operational capacity, this is interpreted as fair value in existing use.

In practice, due to the short useful lives and low value of the HFEA's asset base, depreciated historical cost is used as a proxy for current value in existing use. Right-of-use assets arising under IFRS 16 are measured on the same basis as owned assets.

Assets are depreciated on a straight-line basis over their estimated useful lives, as follows:

Non-current assets	
Tangible Assets	
Information Technology	4 years
Office Equipment	5 years
Furniture, fixtures, and fittings	5 years
Right of Use Asset	Lease term
Intangible Assets	
Software licences	4 years
Constructed software	4 – 10 years

Useful lives and residual values are reviewed annually and adjusted where appropriate.

Assets are assessed for impairment at each reporting date. Where indicators of impairment exist, the carrying value is written down to recoverable amount.

Any revaluation gains are recognised in the revaluation reserve, except where they reverse a previous impairment charged to expenditure. Impairments are recognised in expenditure to the extent that they exceed any available revaluation surplus for the asset. There were no revaluation gains in 2025/26.

1.5 Assets under construction

These are the costs relating to either the creation or upgrade of the HFEA's systems whether that be the hardware or applications that are yet to be deployed. These assets are not depreciated. There were no assets under construction for 2025/26.

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the HFEA accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed annually. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future period. The judgements that management has made in the process of applying HFEA's accounting policies and that may have significant effect on the amounts recognised in the financial statements are:

IAS 36 - Impairments - Management makes judgement on whether there are any indications of impairments to the carrying amounts of the HFEA's assets. At the end of the year, management has made a judgement in relation to the impairment of PRISM (the online submission systems for the clinics we regulate). In making its assessment, management took into account successful publication of data for Choose a Facility Clinic (CaFC) without any major incidents which indicated the reliability and usability of the system for one of its core outputs; continuing improvement of error rates which have become manageable and the reduction in system enquiries from clinic via our support line. On this basis, management believe no impairment of PRISM was required.

IFRS 9 - Expected credit loss – includes a review of historical debtor information around probability to default, the economic climate and the sectors debtors are categorised by. The judgements made relate to the weighting given to each period our debts remain outstanding. This year has seen a significant decrease in the provision to reflect the reduced number of accounts that have been outstanding for more than 3 months and their ability to pay.

Reassessment of Useful economic life of PRISM
A further review and benchmarking exercise was undertaken early in 2025-26 concluding that the previous reassessment as detailed in the 2024-25 Annual report was no longer necessary. Management proposed to our Audit Committee that the useful economic life of PRISM remain at 10 years but would be reviewed at each year end, which was agreed.

IFRS 17 – Insurance contracts – was applicable for accounting periods beginning on or after 1 January 2023 and adopted by the FreM in April 2025. On review Management have confirmed that no insurance or indemnity contracts are provided and therefore IFRS 17 is not applicable.

Revenue recognition, accrued income, and provision for potential credits

A significant area of management judgement relates to the recognition of revenue and accrued income from activity-based billing with a few clinics. Over a 4.5-year period, approximately £370k of income has been recognised based on estimated activity, together with an accrued income balance of £133k at 31 March 2025, reflecting management’s assessment of under-billing to that date.

Subsequent to 31 March 2026, updated activity data was obtained from the clinics indicating a decline in activity that triggers a charge over the preceding 2 to 3 years. This information was not previously available to management and indicates that there may be a need to refund amounts paid relating to these periods.

Management has reassessed the position using the latest available customer data and has reversed the £133k accrued income balance in full. In addition, a provision of £230k has been recognised in respect of expected credit notes arising from historical overbilling.

This judgement is inherently uncertain, as it relies on third-party data and assumptions regarding the extent and timing of reduced activity levels. The adjustment is material to the financial statements and reflects management's best estimate of the financial impact based on the information currently available.

1.7 Impairment of financial assets

The simplified approach to impairment, in accordance with IFRS 9, measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (stage 1).

For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2).

An assessment of the HFEA's financial assets has resulted in the movement in the value of the impairment of receivables. In carrying out this assessment, account is taken of the sector, economic climate, and trends. A default loss rate (calculated as amounts written off as a percentage of unpaid debts over the ageing periods of 35, 60 and 95 day is applied to the receivables creating an expected credit loss. The default rate incorporates forward-looking information such as changes in inflation.

DHSC provides a guarantee of last resort against debts of its arm's length bodies and other NHS bodies and therefore the HFEA does not recognise stage 1 or 2 losses against these bodies.

1.8 Grant in aid

Grant-in-aid received from DHSC is used to finance activities and expenditure which supports the statutory and other objectives of the HFEA and is treated as financing and credited to the I&E reserve, because it is regarded as contributions from a controlling party.

1.9 Operating income

The main source of funding for the HFEA is treatment fee income from the clinics it regulates. A smaller amount of income is received from the same clinics in respect of licence fee renewals.

Under IFRS 15 and the 5-step model:

- There is a contractual arrangement between the HFEA and its clinics as per IFRS 15 and the 5-step model. The underlying legislation is deemed to enforce contractual obligations on both parties, and thus these arrangements are viewed as contracts under the standard.
- Performance obligations exist between the HFEA and those clinics within the private and public sectors it regulates. The clinics must maintain standards in line with our Codes of Practice and submit details of activities being undertaken. The HFEA if satisfied grants a licence.
- A transaction price (licence fee) is chargeable for granting of licences and for ongoing regulation. The cost of ongoing regulation is based on the sector, type of activity undertaken by each establishment.
- The transaction price is allocated to the obligation on the HFEA to regulate the clinics and grant a licence.
- Income is recognised over time across the financial year to which the licence relates.

Other income received by the HFEA relates to seconded staff and is recognised on an accrual's basis, with the performance obligation deemed to be the point at which these services are delivered.

1.10 Leases

Scope and classification

Contracts that convey the right to use an asset in exchange for consideration are classified as leases and are accounted for in accordance with IFRS 16 – leases. The HFEA has one lease which is for its offices at 2 Redman Place, Stratford, London.

Low value contracts defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and contracts with a term shorter than twelve months are excluded.

Recognition and measurement

At the commencement of a lease (or the IFRS effective dates) HFEA recognises a right-of-use asset and a lease liability. The lease is measured as the payments for the remaining lease term net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or where this cannot be determined, HFEA's incremental cost of borrowing rate. For the HFEA, the incremental cost of borrowing is the rate calculated by HM Treasury for that financial year. The lease term is as reflected in the lease agreement. The liability is presented within note thirteen.

The right-of-use asset is initially measured at the value of the liability. The liability is adjusted for the accrued interest and repayments.

Expenditure includes interest and straight-line depreciation. Lease payments reduce the lease liability. If applicable, rental payments for leases of low value items or shorter than twelve months are expensed. The HFEA does not currently carry any low value leases or shorter than twelve months.

The asset is subsequently measured using the fair value model. The HFEA considers the cost model to be a reasonable proxy for this. The liability is adjusted for the accrued interest and repayments.

Lease remeasurement

In accordance with IFRS 16, the HFEA has reviewed its lease liabilities during the reporting period. A remeasurement of the lease liability was undertaken following a contractual rent increase that took effect from 1 August 2024 and accounted for in 2024-25. A subsequent reduction in floor space resulted in a slight reduction in these rental payments.

The change in rent payments required an adjustment to the lease liability and a corresponding decrease to the right-of use asset (RoU). This remeasurement was accounted for in line with IFRS16 16.46(a), as it related to a reduction in scope of the lease resulting from a reduction in desk space.

As a result of the remeasurement, the lease liability decreased by £113k and the right-of-use asset was adjusted by the same amount. No gain or loss was recognised in the Statement of Comprehensive Net Expenditure at the remeasurement date.

The remeasured amounts are being depreciated over the remaining lease term in line with our accounting policies. The discount rate used in the remeasurement changed to 4.81% in line with the HM Treasury rate as of April 2025, from 0.95% (2024/25), as there was no change in the lease term or underlying risk profile.

1.11 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit elements of the scheme are unfunded and are non-contributory except in respect of dependents' benefits. The HFEA recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future

benefits is a charge on the PCSPS. In respect of the defined contribution elements of the scheme, the HFEA recognises the contributions payable for the year.

Further information in respect of Civil Service Pensions is provided in the remuneration report.

1.12 Cash

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours.

1.13 Financial instruments

Financial assets and financial liabilities arise from the Authority's normal operational activities and are recognised in accordance with standard accruals accounting principles.

The HFEA's financial assets comprise cash at bank and in hand, contracts with customer debtors, balances with central Government bodies, and other debtors. The HFEA's financial liabilities comprise trade creditors and other creditors. The fair values of financial assets and liabilities are deemed to be their book values, unless there is appropriate cause to apply an alternative basis of valuation.

The HFEA has not entered into any transactions involving derivatives.

1.14 IFRSs, amendments and interpretations in issue but not effective

The HM Treasury FReM (as adopted by the DHSC GAM) does not require the following Standards and Interpretations to be applied in 2025-26. The impact of the Standards as revised are yet to be assessed as to whether they would materially impact the accounts.

IFRS 18 – Presentation and Disclosure in the Financial Statements – was issued in April 2024 and applies to periods on or after 1 January 2027. The standard has not yet been adopted by FRAB for inclusion within the FReM and therefore it is not yet possible to assess its impact on our accounts in the future.

IFRS 19 – Subsidiaries without Public Accountability, applicable for accounting periods beginning on or after 1 January 2027. The HFEA is not a subsidiary entity and does not prepare group accounts; therefore, IFRS 19 is not expected to have any impact on our financial statements.

1.15 Provisions

Provisions are recognised when the HFEA has a present legal or constructive obligation as a result of a past event, it is probable that the HFEA will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. We have a small provision to cover duplicate billing cycles for one clinic who are transitioning suppliers of their API system. The API system is a means that the clinics use to transfer their cycle data to the HFEA's online submissions system PRISM.

2 Operating segments

Under the definition of IFRS 8 the HFEA is a single operating segment as the UK's independent regulator of treatment using eggs and sperm, and of treatment and research involving human embryos, setting standards for, and the issue of licences to, centres together with the provision of information for the public and determining the policy framework for fertility issues.

3	Operating expenditure	Note	2025/26	2024/25
			£'000s	**£'000s**
3.1	**Staff costs**			
	Permanently employed costs		5,814	5,314
	Members' allowances		169	153
	Agency and other temporary staff costs		200	183
			6,183	**5,650**
3.2	**Purchase of goods and services**			
	Legal expenses		144	166
	Auditors' renumeration	(a)	164	118
			308	**284**
3.3	**Other operating expenses**			
	Occupation costs		230	231
	Running costs		1,573	814
	Staff related costs		220	245
	Provision provided in year		230	0
			2,253	**1,290**
3.4	**Non-cash costs**			
	Depreciation and amortisation	5,7	78	41
	Depreciation of RoU Asset	5	105	110
	Impairment of Constructed software		0	93
	Expected credit loss		(101)	(133)
	Loss on disposal of fixed assets		1	0
			83	**111**
	Total operating expenditure		**8,827**	**7,335**

Notes

(a) Audit expenditure is as follows:

	2025/26	2024/25
	£'000s	£'000s
External audit	85	55
Internal audit	79	63
	164	**118**

External audit expenditure is the accrued fee for the NAO for 2025-26 year which includes an accrual for the increase in the fee. No fees were paid for non-audit work.

3a	**Staff costs**	2025/26 £'000s	2024/25 £'000s
	Wages and salaries	4,478	4,164
	Social security costs	559	423
	Other pension costs	1,146	1,063
		6,183	**5,650**
	Less recoveries in respect of outward secondments	**0**	**(49)**
	Total net staff costs	**6,183**	**5,601**

As set out in note 1.11, further information of Civil Service Pensions is provided in the remuneration report on pages 45 to 46.

4. Income

Gross income is made up of licence fee and other incomes which are recorded on an accruals basis.

Analysis of income	2025/26 £'000s	2024/25 £'000s
Licence fee income	(6,767)	(7,010)
Other operating income	0	(49)
Total income for the year	**(6,767)**	**(7,059)**

5. Property, plant, and equipment

	RoU Asset	Information Technology	Office Equipment	AUC	Total	Of which leases within the DHSC group
2025/26	**£'000s**	**£'000's**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Cost or valuation:						
At 1 April 2025	1,029	277	6	0	1,312	1,029
Additions	0	47	0	0	47	0
Remeasurement	(113)	0	0	0	(113)	(113)
Disposals	0	(131)	(6)	0	(137)	0
At 31 March 2026	**916**	**193**	**0**	**0**	**1,109**	**916**
Depreciation:						
At 1 April 2025	330	196	6	0	532	330
Charged during the year	105	32	0	0	137	105
Disposals	0	(130)	(6)	0	(136)	0
At 31 March 2026	**435**	**98**	**0**	**0**	**533**	**435**
Carrying value 31 March 2026	**481**	**95**	**0**	**0**	**576**	**481**
Asset financing						
Owned	0	95	0	0	95	
Leased	481	0	0	0	481	481

	RoU Asset	Information Technology	Office Equipment	AUC	Total	Of which leases within the DHSC group
2024/25	**£'000s**	**£'000's**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Cost or valuation:						
At 1 April 2024	963	204	6	15	**1,188**	963
Additions	0	58	0	0	**58**	0
Remeasurement	66	0	0	0	**66**	66
Transfers	0	15	0	(15)	**0**	0
At 31 March 2025	**1,029**	**277**	**6**	**0**	**1,312**	1,029
Depreciation:						
At 1 April 2024	**220**	**161**	**6**	**0**	**387**	**220**
Charged during the year	110	35	0	0	**145**	110
At 31 March 2025	**330**	**196**	**6**	**0**	**532**	330
Carrying value at 31 March 2025	699	81	0	0	780	699
Asset financing						
Owned	0	81	0	0	81	0
Leased	699	0	0	0	699	699

6. Carrying value of Right of Use assets split by counterparty

	Total
	£'000s
Leased from DHSC	481
Leased from NHS England Group	0
Leased from NHS Providers	0
Leased from Executive Agencies	0
Leased from Non-Departmental Public Bodies	0
Leased from other group bodies	0
Total	**481**

7. Intangible Assets

	2025/26	2025/26	Total
	Software licenses	Constructed Software	
	£'000s	£'000s	£'000s
Cost or valuation:			
At 1 April 2025	**158**	**1,582**	**1,740**
Impairments	0	0	0
At 31 March 2026	**158**	**1,582**	**1,740**
Amortisation:			
At 1 April 2025	**158**	**1,288**	**1,446**
Charged during the year	0	46	46
At 31 March 2026	**158**	**1,334**	**1,492**
Carrying value at 31 March 2026	**0**	**248**	**248**

All assets are owned.

	2024/25	2024/25	Total
	Software licenses	Constructed Software	
	£'000s	£'000s	£'000s
Cost or valuation:			
At 1 April 2024	**158**	**1,675**	**1,833**
Impairments	0	(93)	(93)
At 31 March 2025	**158**	**1,582**	**1,740**
Amortisation:			
At 1 April 2024	**156**	**1,284**	**1,440**
Charged during the year	2	4	6
At 31 March 2025	**158**	**1,288**	**1,466**
Carrying value at 31 March 2025	**0**	**294**	**294**

All assets are owned.

Constructed software includes the cost of PRISM the online submission system that went live in September 2021 and is being amortised over 10 years.

8. Financial instruments

IFRS 7 Financial Instruments Disclosure requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an organisation faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk at the HFEA than would be typical of the listed companies to which IFRS 7 mainly applies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the HFEA in undertaking activities.

a) Liquidity risk

The majority of the HFEA's income comes from treatment fees. The fees are based on information provided directly from licensed clinics. This information is processed and returned to clinics in the form of invoices.

There are procedures in place to identify late and non-reporting of treatment cycles by clinics and also procedures for chasing up debts. The remaining main source of revenue is from Government grants made on a cash basis. Therefore, the HFEA is not exposed to significant liquidity risk.

b) Credit risk

The HFEA receives most of its income from the clinics it regulates. It operates a robust debt management policy and, where necessary, provides for the risk of particular debts not being discharged by the relevant party. There has been significant improvement in clinics settling their accounts in a timely way, however, there are at least three clinics who are slow to pay. Therefore, the HFEA was exposed to some credit risk during the period the 2025-26 financial year.

c) Financial assets and liabilities

The only financial asset held at a variable rate was cash at bank of £2,840,611 (2024-25, £3,315,327). As at 31 March 2026, none of the HFEA's financial liabilities were carried at a variable rate. The fair value of the financial assets and liabilities was equal to the book value.

9. Trade and other receivables

	31 March 2026	31 March 2025
	£'000s	£'000s
Amounts falling due within one year		
Contract receivables	544	587
Impairment for expected credit losses	(71)	(172)
Contract receivables not invoiced	555	746
Prepayments	293	228
Other receivables	6	19
Total	**1,327**	**1,408**

The movement within contract receivables of 7.3% is disproportionate to the movement in the impairment for expected credit losses due to the increased certainty of the recoverability of outstanding debtors.

Contract receivables not invoiced include the calculation of fees that are due to be invoiced to clinics after the date of the statement of financial position in respect of chargeable treatments undertaken before that date.

10. Cash and cash equivalents

	31 March 2026
	£'000s
Balance at 1 April 2025	3,315
Net change in cash	(474)
Balance at 31 March 2026	**2,841**

	31 March 2026
	£'000s
Bank account balances	
Government Banking Service	2,781
Commercial Banks	60
Balance at 31 March 2026	**2,841**

No cash equivalents were held during the year.

11. Trade payables and other current liabilities

	31 March	31 March
Amounts falling due within one year	**2026**	**2025**
	£'000s	**£'000s**
Analysis by type:		
Trade payables	48	160
Accruals and deferred income	402	416
Other taxation and social security	236	0
Other contract liabilities	3	3
Total	**689**[13]	579

12. Provisions for liabilities and charges

	Duplicate charges and over estimation	Total
	£'000s	**£'000s**
Balance at 1 April 2025	**68**	**68**
Provided in year	230	230
Provisions utilised in year	0	0
Release of provision for the period	(65)	(65)
Balance at 31 March 2026	**233**	**233**

In 2023-24 annual accounts, we referred to creation of a provision to account for a number of duplicate cycles submitted by clinics. In 2024-25 we reduced the provision significantly to reflect the number of clinics who had successfully resolved this issue. This year, we have reduced the provision further to reflect the single clinic who are yet to make corrections due to transitioning to a new API systems supplier. The value of the release was based upon detailed analysis of treatment cycle data as provided via PRISM, the online submission system.

A further provision has been provided to take account for the potential over-estimation of billing. The amount is based upon the total estimated billed over 4.5 years, less actual billable cycles as provided by clinics.

[13] This differs to Statement of Financial Position due to rounding.

13. Lease Liabilities

	Right of Use
Obligations for the following periods comprise:	**Asset**
	£'000s
Lease obligations at 1 April 2025	700
Additions	0
Remeasurement adjustment	(113)
Disposals	0
Payments	(119)
Interest	27
Balance at 31 March 2026	**495**

	2025/26	**2024/25**
	Right of Use	**Right of Use**
Obligations for the following periods comprise:	**Asset**	**Asset**
	£'000s	**£'000s**
Payable:		
Not later than one year	**126**	135
Later than one year and not later than five years	**428**	512
Later than five years	**0**	74
Less interest element	**(58)**	(19)
Present value of obligations	**496**[14]	702

[14] The difference in the balance and present value is due to rounding.

14. Contingent Liabilities

The HFEA regulates a sector that addresses some highly charged issues, of both a personal and clinical nature, which may generate close scrutiny. Some of the project work undertaken as well as certain decisions that the HFEA has made may give rise to later challenge, including a risk of legal action.

At the date of finalising these accounts, there were no contingent liabilities or matters of litigation that may have financial consequences for the HFEA.

15. Related party transactions

During the period none of the Department of Health and Social Care Ministers, HFEA Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the HFEA.

The Department of Health and Social Care (DHSC) is regarded as a related party. During the period, the HFEA had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent department including:

Organisations
Human Tissue Authority (HTA)
Care Quality Commission (CQC)

Below are the board members who are connected to those clinics we licence or organisations we work closely with and are therefore regarded as a related party.

Authority (Board) Members
Alison McTavish – Progress Educational Trust £1,145

16. Events after the reporting period

In accordance with the requirements of International Accounting Standard 10, reports after the accounting period are considered up to the date the accounts are authorised for issue. There are no adjusting events after the reporting period which will have a material effect on the financial statements of HFEA.

The Accounts were authorised for issue by the Accounting Officer on the date of the Audit Certificate of the Comptroller & Auditor General.

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