

Company Registration No 4038272 (England and Wales)

A.R.G.C. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

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A.R.G.C. LIMITED

COMPANY INFORMATION

Directors	M Taranissi E Fincham	(Appointed 17 May 2012)
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Secretary	E Fincham
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Company number	4038272
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Registered office	58-60 Berners Street London W1T 3JS
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Auditor	Montpelier Audit Limited Chartered Accountants 58-60 Berners Street London W1T 3JS
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A.R.G.C. LIMITED

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A.R.G.C. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

The directors present their report and financial statements for the year ended 31 August 2012

Principal activities and review of the business

The principal activity of the company continued to be that of providing reproduction and gynaecological medical services

The company had a challenging twelve months resulting in an operating profit of £7,900,510. The company recorded turnover of £18,271,075.

The Directors' financial management risk objective is to maximise financial assets and minimise financial liabilities without engaging in speculation. The financial risks facing the company are

- Interest rates earned/paid on deposits and overdrafts

The directors manage the above risks as follows

- The directors manage the company's finances in such a way as to avoid bank overdrafts situations and put any available funds on deposit to maximise credit interest without compromising business activities

At the balance sheet date the company had current assets of £24,537,666 (2011 - £27,411,606) and the current assets were 1.02 times the current liabilities (2011 - 1.73 times).

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 September 2011

M Taranissi

E Fincham

E Fincham

(Resigned 16 May 2012)

(Appointed 17 May 2012)

Auditors

The auditor, Montpellier Audit Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

A.R.G.C. LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



M. Taranissi

Director

17 June 2013

A.R.G.C. LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.R.G.C. LIMITED

We have audited the financial statements of A R G C LIMITED for the year ended 31 August 2012 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

A.R.G.C. LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A.R.G.C. LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Irvin Fishman FCA (Senior Statutory Auditor)
for and on behalf of Montpelier Audit Limited**

17 June 2013

**Chartered Accountants
Statutory Auditor**

58-60 Berners Street
London
W1T 3JS

A.R.G.C. LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	2012 £	2011 £
Turnover	2	18,271,075	16,423,343
Administrative expenses		(10,370,565)	(9,432,371)
Operating profit	3	7,900,510	6,990,972
Inter-company debt irrecoverable		(6,900,000)	-
		(6,900,000)	-
Profit on ordinary activities before interest		1,000,510	6,990,972
Other interest receivable and similar income	4	72,312	67,323
Profit on ordinary activities before taxation		1,072,822	7,058,295
Tax on profit on ordinary activities	5	(1,700,193)	(1,923,716)
(Loss)/profit for the year	13	(627,371)	5,134,579

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account


A.R.G.C. LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	7		360,162		136,886
Current assets					
Stocks	8	137,179		171,600	
Debtors	9	281,170		7,163,403	
Cash at bank and in hand		24,119,317		20,076,603	
		<u>24,537,666</u>		<u>27,411,606</u>	
Creditors amounts falling due within one year	10	<u>(23,596,444)</u>		<u>(15,871,824)</u>	
Net current assets			<u>941,222</u>		<u>11,539,782</u>
Total assets less current liabilities			1,301,384		11,676,668
Provisions for liabilities	11		<u>(14,384)</u>		<u>(15,297)</u>
			<u>1,287,000</u>		<u>11,661,371</u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account	13		<u>1,286,000</u>		<u>11,660,371</u>
Shareholders' funds	14		<u>1,287,000</u>		<u>11,661,371</u>

Approved by the Board and authorised for issue on 17 June 2013


M Taranishi
Director

Company Registration No 4038272

A.R.G.C. LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		16,056,787		609,696
Returns on investments and servicing of finance				
Interest received	72,312		67,323	
Net cash inflow for returns on investments and servicing of finance		72,312		67,323
Taxation		(2,000,000)		(1,550,001)
Capital expenditure				
Payments to acquire tangible assets	(339,385)		(24,898)	
Net cash outflow for capital expenditure		(339,385)		(24,898)
Equity dividends paid		(9,747,000)		-
Net cash inflow/(outflow) before management of liquid resources and financing		4,042,714		(897,880)
Increase/(decrease) in cash in the year		4,042,714		(897,880)

A.R.G.C. LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012		2011	
		£		£	
	Operating profit	7,900,510		6,990,972	
	Depreciation of tangible assets	116,109		56,004	
	Decrease/(increase) in stocks	34,421		(81,412)	
	Decrease/(increase) in debtors	(17,767)		(227,296)	
	Increase/(decrease) in creditors within one year	8,023,514		(6,128,572)	
	Net cash inflow from operating activities	16,056,787		609,696	
2	Analysis of net funds	1 September 2011	Cash flow	Other non-cash changes	31 August 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	20,076,603	4,042,714	-	24,119,317
	Bank deposits	-	-	-	-
	Net funds	20,076,603	4,042,714	-	24,119,317
3	Reconciliation of net cash flow to movement in net funds	2012		2011	
		£		£	
	Increase/(decrease) in cash in the year	4,042,714		(897,880)	
	Movement in net funds in the year	4,042,714		(897,880)	
	Opening net funds	20,076,603		20,974,483	
	Closing net funds	24,119,317		20,076,603	

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	10% Straight line
Fixtures, fittings & equipment	25% Reducing balance basis

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.5 Stock

Stock is valued at the lower of cost and net realisable value

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	116,109	56,004
Operating lease rentals	393,825	358,577
Auditors' remuneration	22,004	15,012
Fees payable to the company's auditor for other services	61,200	61,200

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

4	Investment income	2012	2011
		£	£
	Bank interest	72,312	67,323
		<u>72,312</u>	<u>67,323</u>
5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	1,701,106	1,921,196
	Adjustment for prior years	-	1,975
	Total current tax	<u>1,701,106</u>	<u>1,923,171</u>
	Deferred tax		
	Deferred tax charge/credit current year	(913)	545
		<u>1,700,193</u>	<u>1,923,716</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,072,822</u>	<u>7,058,295</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	<u>278,934</u>	<u>1,976,323</u>
	Effects of		
	Non deductible expenses	1,841,988	-
	Depreciation add back	30,188	15,681
	Capital allowances	(25,109)	(10,956)
	Other tax adjustments	(424,895)	(57,877)
		<u>1,422,172</u>	<u>(53,152)</u>
	Current tax charge for the year	<u>1,701,106</u>	<u>1,923,171</u>
6	Dividends	2012	2011
		£	£
	Ordinary interim paid	<u>9,747,000</u>	<u>-</u>

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

7 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2011	188,216	690,388	878,604
Additions	67,396	271,989	339,385
At 31 August 2012	255,612	962,377	1,217,989
Depreciation			
At 1 September 2011	162,874	578,844	741,718
Charge for the year	20,226	95,883	116,109
At 31 August 2012	183,100	674,727	857,827
Net book value			
At 31 August 2012	72,512	287,650	360,162
At 31 August 2011	25,342	111,544	136,886

8 Stocks

	2012 £	2011 £
Finished goods and goods for resale	137,179	171,600

9 Debtors

	2012 £	2011 £
Trade debtors	110,826	167,622
Other debtors	57,985	6,964,708
Prepayments and accrued income	112,359	31,073
	281,170	7,163,403

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

10 Creditors' amounts falling due within one year	2012 £	2011 £
Trade creditors	1,160,413	1,585,410
Amounts owed to parent and fellow subsidiary undertakings	1,528,017	-
Corporation tax	546,806	845,700
Other taxes and social security costs	94,655	102,179
Directors' current accounts	19,762,628	13,056,192
Other creditors	(1,576)	4,468
Accruals and deferred income	505,501	277,875
	<u>23,596,444</u>	<u>15,871,824</u>

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 September 2011	15,297
Profit and loss account	(913)
	<u>14,384</u>
Balance at 31 August 2012	<u>14,384</u>

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	<u>14,384</u>	<u>15,297</u>

12 Share capital

	2012 £	2011 £
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2011	11,660,371
Loss for the year	(627,371)
Dividends paid	(9,747,000)
Balance at 31 August 2012	<u>1,286,000</u>

14 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
(Loss)/Profit for the financial year	(627,371)	5,134,579
Dividends	(9,747,000)	-
Net (depletion in)/addition to shareholders' funds	<u>(10,374,371)</u>	<u>5,134,579</u>
Opening shareholders' funds	11,661,371	6,526,792
Closing shareholders' funds	<u>1,287,000</u>	<u>11,661,371</u>

15 Financial commitments

At 31 August 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2013

	Land and buildings	
	2012 £	2011 £
Operating leases which expire in over five years	<u>478,160</u>	<u>358,220</u>

16 Directors' remuneration

	2012 £	2011 £
Remuneration for qualifying services	<u>162,187</u>	<u>-</u>

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2012

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Administrative	17	13
Medical	36	34
	<u>53</u>	<u>47</u>

Employment costs

	2012 £	2011 £
Wages and salaries	2,171,519	1,958,925
Social security costs	<u>234,817</u>	<u>191,551</u>
	<u>2,406,336</u>	<u>2,150,476</u>

18 Control

The ultimate parent company is ARGC Topco Limited, a company registered in England and Wales. The ultimate controlling party is M Taranissi, a director of ARGC Topco Limited and majority shareholder.

19 Related party relationships and transactions

At the balance sheet date, the company owed £1,528,017 (2011 - £Nil) to its parent company, ARGC Topco Limited and was also owed £Nil (2011 - £6,913,214) by Startart Limited, a company in which M Taranissi is a director.

At the balance sheet date, the company owed the director, M Taranissi £19,762,628 (2011 - £13,056,192).

During the year the company paid a dividend of £1,500,000 to its parent company, ARGC Topco Limited.