

Company Registration No 4038272 (England and Wales)

A.R.G.C. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2010

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A.R.G.C. LIMITED

COMPANY INFORMATION

Directors	M Taranissi E Fincham
Secretary	E Fincham
Company number	4038272
Registered office	58-60 Berners Street London W1T 3JS
Auditor	Montpelier Audit Limited Chartered Accountants 58-60 Berners Street London W1T 3JS

A.R.G.C. LIMITED

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A.R.G.C. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2010

The directors present their report and financial statements for the year ended 31 August 2010

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 £4,819,830. The company recorded turnover of £12,446,520.

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 £28,000,779 (2009 - £29,711,636) and the current assets were 1.29 times the current liabilities (2009 - 1.61 times)

Results and dividends

The results for the year are set out on page 5

An interim ordinary dividend was paid amounting to £25,000,000. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 September 2009

M Taranissi

E Fincham

Auditor

Montpelier Audit Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

A.R.G.C. LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

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

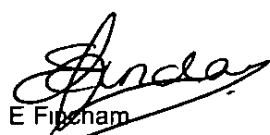
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor 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.

By order of the board



E Fitzham

Secretary

19 May 2011

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 2010 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 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 auditors' 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.

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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

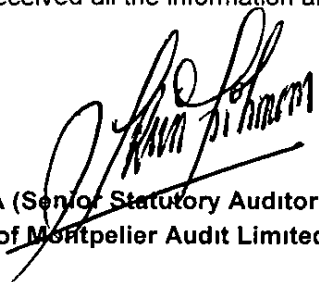
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

19 May 2011

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 2010

	Notes	2010 £	2009 £
Turnover	2	12,446,520	12,072,421
Administrative expenses		(7,626,690)	(7,943,413)
Other operating income		-	195
Operating profit	3	4,819,830	4,129,203
Other interest receivable and similar income	4	80,343	443,157
Profit on ordinary activities before taxation		4,900,173	4,572,360
Tax on profit on ordinary activities	5	(1,573,786)	(1,282,851)
Profit for the year	13	3,326,387	3,289,509

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 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	7		167,990		185,655
Current assets					
Stocks	8	90,188		97,860	
Debtors	9	6,936,107		279,519	
Cash at bank and in hand		20,974,484		29,334,257	
		<u>28,000,779</u>		<u>29,711,636</u>	
Creditors amounts falling due within one year	10	<u>(21,627,225)</u>		<u>(1,687,438)</u>	
Net current assets			6,373,554		28,024,198
Total assets less current liabilities			6,541,544		28,209,853
Provisions for liabilities	11		<u>(14,752)</u>		<u>(9,448)</u>
			<u>6,526,792</u>		<u>28,200,405</u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account	13		6,525,792		28,199,405
Shareholders' funds	14		<u>6,526,792</u>		<u>28,200,405</u>

Approved by the Board and authorised for issue on 19 May 2011



M Taranissi
Director

Company Registration No. 4038272

A.R.G.C. LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2010

	Notes	£	2010 £	£	2009 £
Net cash inflow from operating activities	18		18,102,317		4,217,949
Returns on investments and servicing of finance					
Interest received		80,343		443,157	
Net cash inflow for returns on investments and servicing of finance			80,343		443,157
Taxation			(1,500,000)		(1,300,006)
Capital expenditure					
Payments to acquire tangible assets		(42,433)		(8,782)	
Net cash outflow for capital expenditure			(42,433)		(8,782)
Equity dividends paid			(25,000,000)		(260,000)
Net cash (outflow)/inflow before management of liquid resources and financing			(8,359,773)		3,092,318
(Decrease)/increase in cash in the year	19, 20		(8,359,773)		3,092,318

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

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

	2010	2009
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	60,098	48,763
Operating lease rentals	361,590	391,062

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	15,323	14,752
Fees payable to the company's auditor for other services	58,744	55,500
	74,067	70,252

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

4	Investment income	2010	2009
		£	£
	Bank interest	80,343	442,627
	Other interest	-	530
		<u>80,343</u>	<u>443,157</u>
5	Taxation	2010	2009
		£	£
	Domestic current year tax		
	U K corporation tax	1,568,482	1,285,617
	Total current tax	<u>1,568,482</u>	<u>1,285,617</u>
	Deferred tax		
	Deferred tax charge/credit current year	5,304	(2,766)
		<u>1,573,786</u>	<u>1,282,851</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>4,900,173</u>	<u>4,572,360</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>1,372,048</u>	<u>1,280,261</u>
	Effects of		
	Non deductible expenses	-	392
	Depreciation add back	16,828	13,654
	Capital allowances	(16,861)	(8,684)
	Other tax adjustments	196,467	(6)
		<u>196,434</u>	<u>5,356</u>
	Current tax charge for the year	<u>1,568,482</u>	<u>1,285,617</u>
6	Dividends	2010	2009
		£	£
	Ordinary interim paid	<u>25,000,000</u>	<u>260,000</u>

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

7 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2009	188,216	623,055	811,271
Additions	-	42,433	42,433
At 31 August 2010	188,216	665,488	853,704
Depreciation			
At 1 September 2009	125,230	500,386	625,616
Charge for the year	18,822	41,276	60,098
At 31 August 2010	144,052	541,662	685,714
Net book value			
At 31 August 2010	44,164	123,826	167,990
At 31 August 2009	62,986	122,669	185,655

8 Stocks

	2010 £	2009 £
Finished goods and goods for resale	90,188	97,860

9 Debtors

	2010 £	2009 £
Trade debtors	138,890	134,067
Other debtors	6,766,267	116,352
Prepayments and accrued income	30,950	29,100
	6,936,107	279,519

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010

10 Creditors amounts falling due within one year	2010 £	2009 £
Trade creditors	1,310,643	984,148
Corporation tax	472,530	404,048
Other taxes and social security costs	51,415	52,525
Directors' current accounts	19,754,293	10,790
Accruals and deferred income	38,344	235,927
	<u>21,627,225</u>	<u>1,687,438</u>

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 September 2009	9,448
Profit and loss account	5,304
	<u>14,752</u>
Balance at 31 August 2010	<u>14,752</u>

The deferred tax liability is made up as follows

	2010 £	2009 £
Accelerated capital allowances	<u>14,752</u>	<u>9,448</u>

12 Share capital

	2010 £	2009 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
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 2010

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2009	28,199,405
Profit for the year	3,326,387
Dividends paid	(25,000,000)
Balance at 31 August 2010	<u>6,525,792</u>

14 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	3,326,387	3,289,509
Dividends	(25,000,000)	(260,000)
Net (depletion in)/addition to shareholders' funds	<u>(21,673,613)</u>	<u>3,029,509</u>
Opening shareholders' funds	28,200,405	25,170,896
Closing shareholders' funds	<u>6,526,792</u>	<u>28,200,405</u>

15 Financial commitments

At 31 August 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2011

	Land and buildings	
	2010 £	2009 £
Operating leases which expire in over five years	<u>355,720</u>	<u>347,220</u>

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010

16 Employees

Number of employees

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

	2010 Number	2009 Number
Administrative	10	15
Medical	30	33
	<u>40</u>	<u>48</u>

Employment costs

	2010 £	2009 £
Wages and salaries	1,682,702	1,442,939
Social security costs	172,447	139,782
	<u>1,855,149</u>	<u>1,582,721</u>

17 Control

The ultimate controlling parties are Mr and Mrs Taranissi, directors of the company

18 Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	2009 £
Operating profit	4,819,830	4,129,203
Depreciation of tangible assets	60,098	48,763
Decrease/(increase) in stocks	7,672	(2,085)
(Increase)/decrease in debtors	(6,656,588)	398,170
Increase/(decrease) in creditors within one year	19,871,305	(356,102)
	<u>18,102,317</u>	<u>4,217,949</u>

A.R.G.C. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

19 Analysis of net funds	1 September 2009	Cash flow	Other non- cash changes	31 August 2010
	£	£	£	£
Net cash				
Cash at bank and in hand	29,334,257	(8,359,773)	-	20,974,484
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net funds	29,334,257	(8,359,773)	-	20,974,484
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
20 Reconciliation of net cash flow to movement in net funds			2010	2009
			£	£
(Decrease)/increase in cash in the year			(8,359,773)	3,092,318
			<u> </u>	<u> </u>
Movement in net funds in the year			(8,359,773)	3,092,318
Opening net funds			29,334,257	26,241,939
			<u> </u>	<u> </u>
Closing net funds			20,974,484	29,334,257
			<u> </u>	<u> </u>

21 Related party relationships and transactions

As at the balance sheet date the company was owed £6,762,284 from Startart Limited, a company in which M Taranissi is a director

A.R.G.C. LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2010

A.R.G.C. LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2010

	2010	2009
	£	£
Turnover		
Fees receivable	12,446,520	12,072,421
Administrative expenses	(7,626,690)	(7,943,413)
	<u>4,819,830</u>	<u>4,129,008</u>
Other operating income		
Sundry income	-	195
	<u>4,819,830</u>	<u>4,129,203</u>
Operating profit		
	<u>4,819,830</u>	<u>4,129,203</u>
Other interest receivable and similar income		
Bank interest received	80,343	442,627
Other interest received	-	530
	<u>80,343</u>	<u>443,157</u>
Profit before taxation	<u>4,900,173</u>	<u>4,572,360</u>

A.R.G.C. LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 AUGUST 2010

	2010 £	2009 £
Administrative expenses		
Wages and salaries (excl N I)	1,682,702	1,442,939
Employer's N I contributions	172,447	139,782
Medical supplies and drugs	4,053,573	3,537,624
Anaesthetists and consultants	363,570	370,131
Rent re operating leases	361,590	391,062
Rates	48,804	47,820
Insurance	19,766	13,720
HFEA fees	141,023	125,926
Light and heat	17,163	27,141
Cleaning	88,143	85,080
Repairs and maintenance	60,762	63,292
Printing, postage and stationery	51,901	51,432
Advertising	20,606	117,931
Telephone	33,459	36,198
Computer running costs	12,367	13,038
Motor & travelling expenses	3,955	3,100
Entertaining	-	1,401
Legal and professional fees	220,170	1,221,172
Accountancy	58,744	55,500
Audit fees	15,323	14,752
Bank charges	112,928	112,419
Sundry expenses	25,017	19,952
Charitable donations - other	100	157
Subscriptions	787	1,367
Equipment rental	1,692	1,714
Amortisation on long leasehold	18,822	7,873
Depreciation on Fixtures, Fittings and Equipment	41,276	40,890
	<u>7,626,690</u>	<u>7,943,413</u>