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**A.R.G.C. LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**A.R.G.C. LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Dr M Taranissi E Fincham
<b>Company secretary</b>	E Fincham
<b>Registered number</b>	04038272
<b>Registered office</b>	124 Finchley Road London NW3 5JS
<b>Independent auditors</b>	Nyman Libson Paul LLP Chartered Accountants & Registered Auditors 124 Finchley Road London NW3 5JS

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**A.R.G.C. LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Introduction**

The directors present the strategic report for the year ended 31 August 2019.

**Business review**

The company's turnover decreased by 13% from £20.5 million to £17.8 million and operating profit decreased from £7.3 million to £5.7 million. At the reporting date the company has a net asset position of £0.6 million (2018 - £1.7m).

**Principal risks and uncertainties**

The directors' financial risk management objective is to maximise financial assets and minimise financial liabilities without engaging in speculation. The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main risks arising from the company's financial instruments are as follows: Interest rates earned/paid on deposits and overdrafts. To manage this risk 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.

**Financial key performance indicators**

The key financial highlights are as follows:	2019	2018
Turnover	£17,838,714	£20,467,854
Operating Profit	£5,678,729	£7,338,960
Profit before tax	£5,692,958	£7,344,038

This report was approved by the board on 5 March 2021 and signed on its behalf.

**Dr M Taranissi**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The directors present their report and the financial statements for the year ended 31 August 2019.

**Principal activity**

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

**Directors**

The directors who served during the year were:

Dr M Taranissi  
E Fincham

**Results and dividends**

The profit for the year, after taxation, amounted to £5,066,314 (2018 - £6,504,938).

Ordinary dividends were paid amounting to £6,100,000 (2018: £6,650,000). The directors do not recommend payment of a final dividend.

**Future developments**

The directors aim to exercise and maintain the management policies which have benefited the company's performance and aims to continue the plans of expansion where opportunities arise.

**Post balance sheet events**

The impact on the company of Covid-19 pandemic since the year end has been disclosed in note 23.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 for the company's financial statements and then apply them consistently;
- make judgments 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 to 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.

**Auditors**

The auditors, Nyman Libson Paul LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5 March 2021 and signed on its behalf.

**Dr M Taranissi**  
Director

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.R.G.C. LIMITED**

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**Opinion**

We have audited the financial statements of A.R.G.C. Limited (the 'company') for the year ended 31 August 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2019 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 2.4 in the financial statements, which indicates that as at the reporting date the group's total liabilities exceeded its total assets and the outstanding loan balances as disclosed in the consolidated financial statements have past their full repayment date of May 2020. As stated in note 2.4, material uncertainty exists that may cast doubt on the group's and the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

- adequate accounting records have not been kept, 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.

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

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**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Richard Lloyd (Senior Statutory Auditor)

for and on behalf of

**Nyman Libson Paul LLP**

Chartered Accountants

Registered Auditors

124 Finchley Road

London

NW3 5JS

5 March 2021

**A.R.G.C. LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Turnover	4	17,838,714	20,467,854
Cost of sales		(9,939,254)	(10,821,445)
<b>Gross profit</b>		<u>7,899,460</u>	<u>9,646,409</u>
Administrative expenses		(2,220,731)	(2,307,449)
<b>Operating profit</b>		<u>5,678,729</u>	<u>7,338,960</u>
Interest receivable and similar income	8	14,229	8,349
Interest payable and expenses		-	(3,271)
<b>Profit before tax</b>		<u>5,692,958</u>	<u>7,344,038</u>
Tax on profit	10	(626,644)	(839,100)
<b>Profit for the financial year</b>		<u><u>5,066,314</u></u>	<u><u>6,504,938</u></u>
<b>Total comprehensive income for the year</b>		<u><u>5,066,314</u></u>	<u><u>6,504,938</u></u>

The notes on pages 10 to 24 form part of these financial statements.

**A.R.G.C. LIMITED**  
**REGISTERED NUMBER: 04038272**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Goodwill	12		990,459		1,056,490
Tangible assets	13		210,002		274,041
Investments	14		1		1
			<u>1,200,462</u>		<u>1,330,532</u>
<b>Current assets</b>					
Stocks	15	582,414		159,457	
Debtors: amounts falling due within one year	16	444,556		404,467	
Cash at bank and in hand		1,924,067		2,986,053	
		<u>2,951,037</u>		<u>3,549,977</u>	
Creditors: amounts falling due within one year	17	(3,495,400)		(3,185,560)	
<b>Net current (liabilities)/assets</b>			<u>(544,363)</u>		<u>364,417</u>
<b>Total assets less current liabilities</b>			<u>656,099</u>		<u>1,694,949</u>
<b>Provisions for liabilities</b>					
Deferred tax	18		(19,541)		(24,705)
<b>Net assets</b>			<u><u>636,558</u></u>		<u><u>1,670,244</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		1,000		1,000
Profit and loss account			635,558		1,669,244
			<u><u>636,558</u></u>		<u><u>1,670,244</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 March 2021.

**Dr M Taranissi**  
Director

The notes on pages 10 to 24 form part of these financial statements.

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**A.R.G.C. LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2019**

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 September 2017</b>	1,000	1,814,306	1,815,306
Profit for the year	-	6,504,938	6,504,938
Dividends: Equity capital	-	(6,650,000)	(6,650,000)
	<hr/>	<hr/>	<hr/>
<b>At 1 September 2018</b>	1,000	1,669,244	1,670,244
Profit for the year	-	5,066,314	5,066,314
Dividends: Equity capital	-	(6,100,000)	(6,100,000)
	<hr/>	<hr/>	<hr/>
<b>At 31 August 2019</b>	<u>1,000</u>	<u>635,558</u>	<u>636,558</u>

The notes on pages 10 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. General information**

A.R.G.C. Limited is a private company limited by shares incorporated in England and Wales. The registered office is at 124 Finchley Road, London, NW3 5JS. The principal place of business is at 13 Upper Wimpole Street, London, W1G 6LP.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Exemption from preparing consolidated financial statements**

The company itself is a subsidiary company and is exempt from the requirement to prepare consolidated financial statements by virtue of section 401 of the Companies Act 2006 on the grounds that the company and its group undertakings are included in full consolidation in the consolidated financial statements of ARGC Topco Limited.

The financial statements therefore presents information about the company as an individual undertaking and not about its group.

**2.3 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of ARGC Topco Limited as at 31 August 2019 and these financial statements may be obtained from 124 Finchley Road, London, NW3 5JS.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.4 Going concern**

At the reporting date, the group's total liabilities exceeded its total assets. Furthermore, the outstanding loan balances disclosed in the consolidated financial statements of the Parent company have past their full repayment date of May 2020. There is an ongoing dispute between the loan note holders as to entitlement of the loan interest which the directors are confident will be resolved without any significant impact on going concern of the company.

The directors confirmed that as a result of the Covid-19 pandemic and the trading restriction imposed by the government, there was a short-term impact on turnover whilst patients remained isolated. However, trade has now returned to pre-Covid levels and clinics are open for all treatment cycles.

The directors have reviewed the existing funding facilities of the company, and believe that adequate resources will be available for the foreseeable future.

Accordingly, the directors are confident that the company will continue to remain a going concern for the foreseeable future. Therefore, the going concern basis is appropriate but with the proviso that there is a material uncertainty.

**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts.

Revenue from medical services is recognised at the point in which the treatment has been administered.

**2.6 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.9 Pensions**

**Defined contribution pension plan**

The company contributes to a defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.11 Intangible assets - Goodwill**

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

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

**2.12 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Long-term leasehold property	-		over the useful life of the lease
Fixtures, fittings and equipment	-	25%	reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.14 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated value in use to the business or estimated selling price.

**2.15 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.16 Cash and cash equivalents**

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

**2.17 Creditors**

Short term creditors are measured at the transaction price.

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

**2.19 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to/from related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

**2.20 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

***Amortisation of goodwill***

Determining the period over which goodwill is amortised requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Medical services	<u>17,838,714</u>	<u>20,467,854</u>

All turnover arose within the United Kingdom.

**5. Operating profit**

The operating profit is stated after charging:

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's financial statements	27,600	23,700
Depreciation of owned tangible fixed assets	87,844	52,065
Amortisation of intangible assets	66,031	66,031
Cost of stocks recognised as an expense	6,011,584	6,697,627
Operating lease charges	891,650	785,120
	<u>6,853,821</u>	<u>7,473,013</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Auditors' remuneration**

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>27,600</u>	<u>23,700</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

**7. Employees**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	2,809,382	2,993,100
Social security costs	261,874	256,358
Pension costs	40,271	23,005
	<u>3,111,527</u>	<u>3,272,463</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Administrative	22	22
Medical	50	40
	<u>72</u>	<u>62</u>

**8. Interest receivable**

	2019 £	2018 £
Other interest receivable	<u>14,229</u>	<u>8,349</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Interest payable and similar expenses**

	2019 £	2018 £
Other interest payable	<u>-</u>	<u>3,271</u>

**10. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	631,808	950,415
Adjustments in respect of previous periods	-	(113,334)
<b>Total current tax</b>	<u>631,808</u>	<u>837,081</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,164)	2,019
<b>Total deferred tax</b>	<u>(5,164)</u>	<u>2,019</u>
<b>Taxation on profit on ordinary activities</b>	<u>626,644</u>	<u>839,100</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>5,692,958</u>	<u>7,344,038</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,081,662	1,395,367
<b>Effects of:</b>		
Loss on disposal of fixed assets	-	14,146
Depreciation on assets not attracting capital allowance	1,466	1,466
Difference in tax rate	2,906	(14,384)
Adjustments to tax charge in respect of prior periods	-	(113,334)
Group relief	(459,390)	(444,161)
<b>Total tax charge for the year</b>	<u><u>626,644</u></u>	<u><u>839,100</u></u>

**11. Dividends**

	2019 £	2018 £
Interim paid	<u><u>6,100,000</u></u>	<u><u>6,650,000</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**12. Intangible fixed assets**

	Goodwill £
<b>Cost</b>	
At 1 September 2018	1,320,614
At 31 August 2019	<u>1,320,614</u>
<b>Amortisation</b>	
At 1 September 2018	264,124
Charge for the year	66,031
At 31 August 2019	<u>330,155</u>
<b>Net book value</b>	
At 31 August 2019	<u><u>990,459</u></u>
At 31 August 2018	<u><u>1,056,490</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**13. Tangible fixed assets**

	Land and buildings leasehold £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 September 2018	100,823	335,651	436,474
<b>Additions</b>	-	23,805	23,805
At 31 August 2019	100,823	359,456	460,279
<b>Depreciation</b>			
At 1 September 2018	49,034	113,399	162,433
Charge for the year on owned assets	7,716	80,128	87,844
At 31 August 2019	56,750	193,527	250,277
<b>Net book value</b>			
At 31 August 2019	44,073	165,929	210,002
<b>At 31 August 2018</b>	51,789	222,252	274,041

**14. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 September 2018	1
At 31 August 2019	1

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**Subsidiary undertaking**

The following was a subsidiary undertaking of the company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
London Fertility Centre Limited	124 Finchley Road, London, NW3 5JS	Ordinary	100 %

**15. Stocks**

	2019 £	2018 £
Medical supplies and goods for resale	<u>582,414</u>	<u>159,457</u>

**16. Debtors**

	2019 £	2018 £
Trade debtors	100,770	112,670
Amounts owed by group undertakings	-	54,442
Other debtors	209,320	115,558
Prepayments and accrued income	134,466	121,797
	<u>444,556</u>	<u>404,467</u>

**17. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	1,312,970	1,766,758
Amounts owed to group undertakings	160,349	-
Corporation tax	45,459	213,026
Other taxation and social security	74,031	75,591
Other creditors	1,357,976	778,761
Accruals and deferred income	544,615	351,424
	<u>3,495,400</u>	<u>3,185,560</u>

**18. Deferred taxation**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Deferred taxation (continued)**

	2019 £
At beginning of year	(24,705)
Released to the profit or loss	5,164
<b>At end of year</b>	<b><u>(19,541)</u></b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>19,541</u>	<u>24,705</u>

**19. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

**20. Pension commitments**

The company contributes to a defined contribution pension scheme for all qualifying employees. The assets of the schemes are held separately from those of the company in independently administered funds.

The pension cost charge represents contribution payable by the company to the funds in the financial reporting period and amounted to £40,271 (2018 - £23,005).

Contribution payable totalling £8,721 (2018 - £6,082) were outstanding at the balance sheet date and are included in creditors falling due within one year.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

**21. Commitments under operating leases**

At 31 August 2019 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £	2018 £
Not later than 1 year	880,353	489,328
Later than 1 year and not later than 5 years	2,537,183	1,228,645
Later than 5 years	3,345,174	1,740,000
	<u>6,762,710</u>	<u>3,457,973</u>

**22. Related party transactions**

The following amounts were outstanding at the reporting end date:

	2019 £	2018 £
<b>Amount owed to/(from) related party</b>		
Interest free loan owed to Dr M Taranissi	<u>1,349,255</u>	<u>772,679</u>

The company is a wholly owned subsidiary within a group for which consolidated financial statements are publicly available and accordingly has taken advantage of the exemptions provided by "Financial Reporting Standard 102" not to disclose transactions with the other group entities including its parent and fellow subsidiary undertakings.

Dr M Taranissi has provided a guarantee to the landlord of one of the properties occupied by the company to pay the rent and other sums reserved or made payable by the lease.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**23. Post balance sheet events**

Since March 2020, the Covid-19 pandemic has caused a severe financial impact throughout the UK economy. Measures taken to contain the spread of the virus, include travel bans, quarantines, social distancing, and the closures of all non-essential services. All IVF clinics in the UK were unable to provide treatment under general directions issued by the Human Fertilisation and Embryology Authority (HFEA).

During the lockdown period, the company suspended the start of new treatment cycles but remained open to monitor patients, provide consultations to both existing and new patients and answer questions and enquiries by video link or by telephone. During periods of eased restrictions, the clinic opened for all treatment cycles and a range of measures have been implemented to keep patients safe from Covid-19. As a result there has only been a short term impact on turnover.

The company's clinics were open for all treatment cycles as per the guidance from HFEA during the lockdowns in November 2020 and January 2021.

The company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 August 2019 have not been adjusted to reflect their impact.

**24. Controlling party**

The ultimate parent company is ARGC Topco Limited, a company registered in England & Wales.

ARGC Topco Limited prepares group financial statements and copies can be obtained from 124 Finchley Road, London, NW3 5JS.

The ultimate controlling party is Dr M Taranissi.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.