

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30 SEPTEMBER 2007



Company number . 1572720

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

GENERAL INFORMATION

FOR THE YEAR ENDED 30 SEPTEMBER 2007

DIRECTORS

Dr PJ Brown B Pharm PhD FRPharmS
Dr K Citron MD FRCP – appointed 30 October 2007
Prof T J David – resigned 17 January 2007
Mr S Dodd MA MBA – resigned 24 April 2007
Dr A Goldberg – appointed 12 July 2007
Dame Deirdre Hine DBE FFPHM FRCP
Mr I S Jones – resigned 6 February 2007
Dr F Moss - appointed 12 July 2007
Mr P E H Richardson MA
Prof A C Roberts OBE TD JP DL MPhil PhD DSc LLD - resigned 30 October 2007
Mr M Sandall FCA
Dr J Scadding MD FRCP – appointed 17 April 2007
Mr J Skuse BDS FDS – appointed 30 October 2007
Mr R Stileman
Prof R C N Williamson MA MD MChir FRCS – resigned 30 October 2006

BANKERS

Bank of Scotland PLC
West End Office
St James's Gate
14-16 Cockspur Street
London SW1Y 5BL

SOLICITORS

Charles Russell
8-10 New Fetter Lane
London EC4A 1RS

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

AUDITORS

Horwath Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

COMPANY NUMBER 1572720

REGISTERED IN ENGLAND AND WALES

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 2007

The directors are pleased to submit their report together with the audited accounts for the year ended 30 September 2007

FINANCIAL RESULTS

The company's results show a trading profit of £106,878 (2006 £173,403). This profit has been paid to The Royal Society of Medicine under Gift Aid. However, the payment under Gift Aid during the year of £182,714 exceeded the trading profit and the balance of £75,836, together with a brought forward overpayment of £3,374, is carried forward and will be set against future trading profits.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the Accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the profit or loss for that period. In preparing those accounts, the directors have,

selected suitable accounting policies and then applied them consistently,

made judgements and estimates that are reasonable and prudent,

stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and

prepared the accounts on the going concern basis.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have each taken all the steps that ought to have been taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PRINCIPAL ACTIVITIES

The principal activities of the company are the publication of medically related books, journals and multimedia materials.

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 2007 - continued

REVIEW OF THE BUSINESS

The trading profit for the year was £106,878 as compared to a profit of £173,403 for the previous year with turnover increasing from £1,804,345 to £1,979,692

The directors are optimistic that trading prospects for the coming year will be broadly in line with past experience

EMPLOYEES

The management and operation of the company is undertaken by staff from Royal Society of Medicine Support Services Limited which recharges the costs of these employees to the company

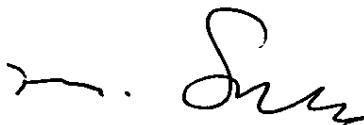
DIRECTORS

None of the directors had an interest in the share capital of the company at any time during the year. The directors who served during the year are listed on page 1

AUDITORS

Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors

By order of the Board



M Sandall FCA

SECRETARY

16 January 2008

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE AUDITORS FOR THE YEAR ENDED 30 SEPTEMBER 2007

INDEPENDENT AUDITOR'S REPORT

to the Shareholder of The Royal Society of Medicine Press Limited

We have audited the accounts of The Royal Society of Medicine Press Limited for the year ended 30 September 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 opinion we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view, the accounts are properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements in it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its result for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the directors' report is consistent with the accounts.


Herwath Clark Whitehill LLP

Chartered Accountants and Registered Auditors
22 January 2008

10 Salisbury Square
London
EC4Y 8EH

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2007

| | NOTE | 2007 | 2006 |
|----------------------------------|------|------------------------|-----------------------|
| | | £ | £ |
| Turnover | 2 | 1,979,692 | 1,804,345 |
| Production Costs | | <u>(786,185)</u> | <u>(757,195)</u> |
| Gross Profit | | 1,193,507 | 1,047,150 |
| Administration Costs | | <u>(1,102,294)</u> | <u>(887,679)</u> |
| Trading Profit | | 91,213 | 159,471 |
| Other non-trading income | | 15,665 | 13,932 |
| Net Profit before Taxation | | <u>106,878</u> | <u>173,403</u> |
| Payment Under Gift Aid | | (182,714) | - |
| Net (Loss)/Profit after Taxation | | <u><u>(75,836)</u></u> | <u><u>173,403</u></u> |

The above results derive from continuing operations

The notes on pages 8 to 11 form part of these accounts

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

for the year ended 30 September 2007

| | 2007 | 2006 |
|---|------------------------|---------------------|
| | £ | £ |
| Profit/(Loss) for the financial year | <u>(75,836)</u> | <u>173,403</u> |
| Total Recognised Gains and Losses relating to the year | (75,836) | 173,403 |
| Prior year adjustment | <u>-</u> | <u>(172,394)</u> |
| Total Gains and Losses Recognised since last financial statements | <u><u>(75,836)</u></u> | <u><u>1,009</u></u> |

The notes on pages 8 to 11 form part of these accounts

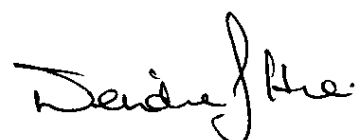
THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

Balance Sheet
as at 30 September 2007

| | | 2007 | | 2006 | |
|---|------|------------------|-----------------------|------------------|-----------------------|
| | | £ | £ | £ | £ |
| | NOTE | | | | |
| INTANGIBLE FIXED ASSET | 7 | | - | | 19 100 |
| CURRENT ASSETS | | | | | |
| Stock | 8 | 249 048 | | 196,916 | |
| Debtors | 9 | <u>525,852</u> | | <u>667,379</u> | |
| | | 774,900 | | 864,295 | |
| CURRENT LIABILITIES | | | | | |
| Creditors amounts falling due within one year | 10 | <u>(654,110)</u> | | <u>(686,769)</u> | |
| NET CURRENT ASSETS | | | <u>120 790</u> | | <u>177 526</u> |
| Total Assets | | | <u><u>120,790</u></u> | | <u><u>196,626</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called Up Share Capital | 12 | | 200,000 | | 200 000 |
| Profit and Loss Account | 11 | | <u>(79,210)</u> | | <u>(3,374)</u> |
| Total Shareholders' Funds | | | <u><u>120 790</u></u> | | <u><u>196 626</u></u> |

The notes on pages 8 to 11 form part of these accounts

Approved by the board on 16th January 2008



Dame Deirdre Hine DBE FFPHM FRCP



P E H Richardson MA

DIRECTORS

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS

for the year ended 30 September 2007

1 Accounting Policies

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

The following accounting policies are adopted by the company

- a) **Basis of Accounting**
The accounts are prepared under the historical cost convention
- b) **Income from journal subscriptions**
Journal subscriptions relate to a calendar year, income for the final quarter to December is deferred and reported under creditors in the balance sheet
- c) **Intangible Fixed Asset**
The intangible fixed asset represents the cost of acquisition of a subscribers' database and publishing rights. This is being amortised over 10 years
- d) **Stock and Work in Progress**
Stock and Work in Progress are valued at the lower of cost and net realisable value
- e) **Pension Costs**
The company operates via the Royal Society of Medicine a defined contribution pension scheme. The pension costs shown in Note 5 represent contributions payable to the scheme
- f) **Translation of Foreign Currencies**
Income and expenditure items are converted at the date of the transactions. Assets and liabilities are converted at the rate ruling at the year end
- g) **Under an exemption from FRS 1 a cash flow statement has not been produced as the company's results are consolidated in the parent's consolidated financial statements**

2 Turnover

In the opinion of the directors the company's turnover is all related to publications

An analysis of this turnover by geographical area is given below

| | 2007 | 2006 |
|-----------------------------------|------------------|------------------|
| | £ | £ |
| United Kingdom | 1,150,969 | 1,113,074 |
| United States and Canada | 337,911 | 163,096 |
| Europe and other overseas markets | 490,812 | 528,175 |
| | <u>1,979,692</u> | <u>1,804,345</u> |

3 Net profit is stated after charging

Auditors' remuneration

| 2007 | 2006 |
|--------------|--------------|
| £ | £ |
| <u>6,375</u> | <u>5,575</u> |

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued for the year ended 30 September 2007

4 Directors' Remuneration

None of the directors receive remuneration from the company for services as directors. Certain directors are employees of the Royal Society of Medicine Support Services Ltd and receive remuneration as employees of that company. Their remuneration is included in staff costs below.

5 Staff Costs

All employees are employed by the Royal Society of Medicine Support Services Ltd and their costs are recharged to the company. The following analysis includes the recharged amounts.

| | 2007 £ | 2006 £ |
|------------------------------------|----------------|----------------|
| Wages and salaries | 487,211 | 375,344 |
| Social security costs | 51,175 | 39,435 |
| Pension contributions / Life cover | 38,002 | 28,795 |
| Other | 26,798 | 27,484 |
| | <u>603,186</u> | <u>471,058</u> |

The average number of persons employed on the company's business each week during the year ended 30 September 2007 was 17 (2006: 14).

6 Taxation

(a) Analysis of the tax charge and factors affecting the tax charge for the period

There is no tax charge for the year (2006: nil) because the company has covenanted all accumulated profit to the Royal Society of Medicine under Gift Aid.

There are no material factors affecting the tax charge.

(b) Factors that may affect future tax charges

The company will continue to covenant all its taxable profits as Gift Aid to the Royal Society of Medicine. As a result it does not expect to have any taxation liabilities in the future.

No provision has been made for deferred taxation as there are no material deferred tax liabilities or assets.

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued
for the year ended 30 September 2007

| | | | |
|----|--|------------------|------------------|
| 7 | Intangible Fixed Asset | 2007 £ | 2006 £ |
| | Cost at 1 October 2006 and 30 September 2007 | <u>191,000</u> | <u>191,000</u> |
| | Amortisation | | |
| | At 1 October 2006 | 171,900 | 152,800 |
| | Charge for the year | 19,100 | 19,100 |
| | At 30 September 2007 | <u>191,000</u> | <u>171,900</u> |
| | Net Book Value as at 30 September 2007 | <u>-</u> | <u>19,100</u> |
| 8 | Stock and Work in Progress | £ | £ |
| | Raw materials | 3,387 | 3,387 |
| | Work in progress | 15,946 | 47,289 |
| | Goods for resale | <u>229,715</u> | <u>146,240</u> |
| | | <u>249,048</u> | <u>196,916</u> |
| 9 | Debtors | £ | £ |
| | Trade debtors | 340,161 | 406,190 |
| | Other debtors | - | 1,915 |
| | Prepayments & accrued income | 185,691 | 60,871 |
| | Royal Society of Medicine | <u>-</u> | <u>198,403</u> |
| | | <u>525,852</u> | <u>667,379</u> |
| 10 | Creditors amounts falling due within one year | £ | £ |
| | Bank overdraft | 4,506 | 25,806 |
| | Trade creditors | 279,761 | 351,733 |
| | Deferred income | 217,293 | 229,245 |
| | Other creditors | 125,516 | 73,216 |
| | Royal Society of Medicine | 20,214 | - |
| | Accrued expenses | <u>6,820</u> | <u>6,769</u> |
| | | <u>654,110</u> | <u>686,769</u> |
| | Reconciliation of deferred income relating to current calendar year journal subscriptions | | |
| | Brought forward balance | 177,584 | 172,394 |
| | Add Received in year | <u>660,676</u> | <u>710,334</u> |
| | | 838,260 | 882,728 |
| | Less Reported as current year income | <u>(680,240)</u> | <u>(705,144)</u> |
| | Carried forward balance | 158,020 | 177,584 |
| | Add Journal income received re next calendar year | <u>59,273</u> | <u>51,661</u> |
| | Total deferred income | <u>217,293</u> | <u>229,245</u> |

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued
for the year ended 30 September 2007

| 11 | Reserves | 2007 £ | 2006 £ |
|----|--|------------------------|-----------------------|
| | Profit and Loss Account | | |
| | At 1 October, as previously stated | (3,374) | (4,383) |
| | Prior Year Adjustment | <u>0</u> | <u>(172,394)</u> |
| | At 1 October as restated | (3,374) | (176,777) |
| | Net Profit/(Loss) after Taxation | <u>(75,836)</u> | <u>173,403</u> |
| | At 30th September | <u><u>(79,210)</u></u> | <u><u>(3,374)</u></u> |
| 12 | Share Capital | | |
| | Authorised ordinary shares of £1 each | <u>200,000</u> | <u>200,000</u> |
| | Issued, allotted and fully paid | <u>200,000</u> | <u>200,000</u> |

13 Ultimate Parent Undertaking

The ultimate parent undertaking is The Royal Society of Medicine, a charity established under a Royal Charter. A copy of the group financial statements can be obtained from the Director of Finance, The Royal Society of Medicine, 1 Wimpole Street, London, W1G 0AE.

The company has taken advantage of the exemption available to 90% subsidiary undertakings by Financial Reporting Standard No 8 regarding disclosure of related party transactions within the same group.