

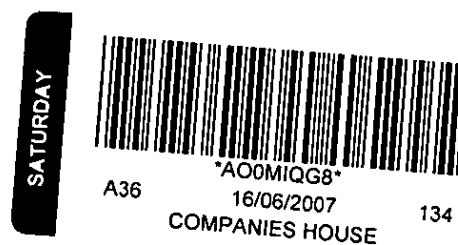
THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30 SEPTEMBER 2006

Company number : 1572720



THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

GENERAL INFORMATION

FOR THE YEAR ENDED 30 SEPTEMBER 2006

DIRECTORS

Dr PJ Brown B Pharm PhD FRPharmS
Prof T J David – appointed 30 November 2005
Mr S Dodd MA MBA – appointed 30 October 2006
Dr C A Grocock MA DPhil – resigned 11 April 2006
Dame Deirdre Hine DBE FFPHM FRCP
Mr I S Jones – appointed 11 April 2006
MR D G Laughton FCA – resigned 13 July 2006
Mr P McDonald MS FRCS – resigned 30 November 2005
Mr P E H Richardson MA
Prof A C Roberts OBE TD JP DL MPhil PhD DSc LLD
Mr M Sandall FCA - appointed 13 July 2006
Dr G Scally MB BCh - resigned 29 August 2006
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 2006

The directors are pleased to submit their report together with the audited accounts for the year ended 30 September 2006

FINANCIAL RESULTS

The company's results show a trading profit of £173,403 (2005 £344,513 as restated). This profit would ordinarily be paid to The Royal Society of Medicine under Gift Aid. However, an amount of £4,383 has been deducted to redress an accumulated deficiency carried forward on the Profit and Loss Account from previous years, and after deducting £172,394 to eliminate a further brought forward Profit and Loss Account deficiency caused by the company's revised treatment of Journal Subscription Income, which is explained in the accounts as a Prior Year Adjustment, there remains an excess balance of £3,374. This represents an over-payment of Gift Aid which will be set against future trading profits.

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements 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 financial statements, 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 financial statements, and

prepared the financial statements 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 financial statements 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 financial statements may differ from legislation in other jurisdictions.

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 2006 - continued

REVIEW OF THE BUSINESS

The trading profit for the year was £173,403 as compared to a profit of £344,513 for the previous year, as restated, with turnover decreasing from £1,974,058 to £1,804,345

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

23 January 2007

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE AUDITORS

FOR THE YEAR ENDED 30 SEPTEMBER 2006

INDEPENDENT AUDITOR'S REPORT

to the Shareholder of The Royal Society of Medicine Press Limited

We have audited the financial statements of The Royal Society of Medicine Press Limited for the year ended 30 September 2006 which comprise the Profit and Loss Account, the Balance Sheet and the restated notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements 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 financial statements give a true and fair view, the financial statements are properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the financial statements. We also 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.

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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the directors' report is consistent with the financial statements.



Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
23 January 2007

10 Salisbury Square
London
EC4Y 8EH

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2006

	NOTE	2006	2005 As restated
		£	£
Turnover	2	1,804,345	1,974,058
Production Costs		<u>(757,195)</u>	<u>(814,317)</u>
Gross Profit		1,047,150	1,159,741
Administration Costs		(887,679)	(826,655)
Interest		13,932	11,427
Trading Profit		<u>173,403</u>	<u>344,513</u>
Payment Under Gift Aid		<u>-</u>	<u>(354,313)</u>
Net Profit before Taxation	3	173,403	(9,800)
Tax Payable	6	<u>-</u>	<u>-</u>
Net Profit after Taxation		<u><u>173,403</u></u>	<u><u>(9,800)</u></u>

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 2006

	NOTE	2006	2005
Profit/(Loss) for the financial year		<u>173,403</u>	<u>(9,800)</u>
Total Recognised Gains and Losses relating to the year		173,403	(9,800)
Prior year adjustment		<u>(172,394)</u>	<u>-</u>
Total Gains and Losses Recognised since last financial statements		<u><u>1,009</u></u>	<u><u>(9,800)</u></u>

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

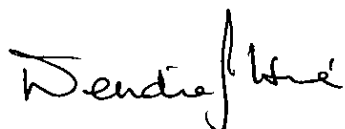
THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

**Balance Sheet
as at 30 September 2006**

		2006		2005	
		£	£	£	As restated £
	NOTE				
INTANGIBLE FIXED ASSET	7		19 100		38,200
CURRENT ASSETS					
Stock	8	196,916		126,252	
Debtors	9	<u>667,379</u>		<u>499,698</u>	
		864,295		625,950	
CURRENT LIABILITIES					
Creditors amounts falling due within one year	10	<u>(686,769)</u>		<u>(640,927)</u>	
NET CURRENT ASSETS			<u>177,526</u>		<u>(14 977)</u>
Total Assets			<u><u>196,626</u></u>		<u><u>23,223</u></u>
CAPITAL AND RESERVES					
Called Up Share Capital	12		200,000		200,000
Profit and Loss Account	11		<u>(3,374)</u>		<u>(176,777)</u>
Total Shareholders' Funds			<u><u>196 626</u></u>		<u><u>23,223</u></u>

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

Approved by the board on 23rd January 2007



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 2006

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. This is a change in accounting policy and prior year comparatives have been re-stated. Previously, all income for the calendar year was reported in the year to September. The prior year adjustments are set out in Note 11
- 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

	2006 £	2005 As restated £
United Kingdom	1,113,074	1,479,648
United States and Canada	163,096	187,027
Europe and other overseas markets	528,175	307,383
	<u>1,804,345</u>	<u>1,974,058</u>

3 Net profit is stated after charging

	2006 £	2005 £
Auditors' remuneration	<u>5,575</u>	<u>5,400</u>

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued for the year ended 30 September 2006

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.

	2006 £	2005 £
Wages and salaries	375,344	444,876
Social security costs	39,435	46,356
Pension contributions / Life cover	28,795	36,099
Other	<u>27,484</u>	<u>25,413</u>
	<u>471,058</u>	<u>552,744</u>

The average number of persons employed on the company's business each week during the year ended 30 September 2006 was 14 (2005: 17).

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 (2005: 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 2006

7	Intangible Fixed Asset	2006	2005
		£	£
	Cost at 1 October 2005 and 30 September 2006	<u>191,000</u>	<u>191,000</u>
	Amortisation		
	At 1 October 2005	152,800	133,700
	Charge for the year	<u>19,100</u>	<u>19,100</u>
	At 30 September 2006	<u>171,900</u>	<u>152,800</u>
	Net Book Value as at 30 September 2006	<u>19,100</u>	<u>38,200</u>
8	Stock and Work in Progress	£	£
	Raw materials	3,387	3,386
	Work in progress	47,289	23,723
	Goods for resale	<u>146,240</u>	<u>99,143</u>
		<u>196,916</u>	<u>126,252</u>
9	Debtors	£	£
	Trade debtors	406,190	297,595
	Other debtors	1,915	3,172
	Prepayments & accrued income	60,871	30,622
	Royal Society of Medicine	<u>198,403</u>	<u>168,309</u>
		<u>667,379</u>	<u>499,698</u>
10	Creditors amounts falling due within one year	£	As restated £
	Bank overdraft	25,806	4,871
	Trade creditors	351,733	322,863
	Deferred income	229,245	186,944
	Other creditors	73,216	119,405
	Accrued expenses	<u>6,769</u>	<u>6,845</u>
		<u>686,769</u>	<u>640,928</u>
	Reconciliation of deferred income relating to current calendar year journal subscriptions		
	Brought forward balance	172,394	162,594
	Add Received in year	<u>710,334</u>	<u>728,048</u>
		882,728	890,642
	Less Reported as current year income	<u>(705,144)</u>	<u>(718,248)</u>
	Carried forward balance	177,584	172,394
	Add Journal income received re next calendar year	<u>51,661</u>	<u>14,550</u>
	Total deferred income	<u>229,245</u>	<u>186,944</u>

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued
for the year ended 30 September 2006

11	Reserves	2006	2005
		£	£
	Profit and Loss Account		
	At 1 October, as previously stated	(4,383)	(4,383)
	Prior Year Adjustment	<u>(172,394)</u>	<u>(162,594)</u>
	At 1 October as restated	(176,777)	(166,977)
	Net Profit/(Loss) after Taxation	<u>173,403</u>	<u>(9,800)</u>
	At 30th September	<u><u>(3,374)</u></u>	<u><u>(176,777)</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