

**ROYAL SOCIETY OF MEDICINE**  
**COMMERCIAL SERVICES LIMITED**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED**

**30 SEPTEMBER 2022**

Company number: 2820374

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**ROYAL SOCIETY OF MEDICINE COMMERCIAL SERVICES LIMITED**

**GENERAL INFORMATION**

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**DIRECTORS**

Ms M Acton  
Mr John Armstrong (appointed 18 June 2022)  
Professor H Bowden-Jones (appointed 24 February 2022)  
Mr N Collett (resigned on 29 July 2022)  
Professor Linda Luxon (resigned on 24 February 2022)  
Professor D Russell  
Mr Sanjay Shah (appointed 29 July 2022)  
Dr S Walton (resigned on 30 September 2020)  
Mr R Whitley (resigned on 8 July 2022)  
Mr S Mills (appointed 10 July 2023)

**REGISTERED OFFICE**

1 Wimpole Street  
London  
W1G 0AE

**BANKERS**

Bank of Scotland PLC  
33 Old Broad Street  
London  
EC2N 1HZ

**AUDITORS**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**COMPANY NUMBER: 2820374**

**REGISTERED IN ENGLAND AND WALES**

# **ROYAL SOCIETY OF MEDICINE COMMERCIAL SERVICES LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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The directors are pleased to submit their report and audited financial statements for the year ended 30 September 2022. The Company number is 2820374.

### **FINANCIAL RESULTS**

The results show a net profit for 2021-22 of £300k (2020-21: £925k loss).

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 laws, including FRS 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 and 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; and
- 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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 provision of catering, conference, and accommodation services. The Company also employs most of the employees of the Royal Society of Medicine.

# ROYAL SOCIETY OF MEDICINE COMMERCIAL SERVICES LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### REVIEW OF THE BUSINESS

The Company has made good progress, notwithstanding the spread of the Omicron variant of Covid-19 in the early part of the financial year. The profit and loss account shows a net profit before tax of £300k (2020-21: £925k loss) on a turnover of £3,934k (2020-21: £616k).

Average hotel occupancy recovered to 59% (2020-21: 14%) and room hire for external events increased to 740 (2020-21: 130). The higher footfall through the buildings and increased activity from the Charity led to improved food and beverage income compared with last year. Increasing food costs and labour shortages, together with improved trading have contributed to increased expenditure during the year.

Going forward, the uncertain economic outlook for the UK relating to inflation, energy prices and the labour market has led to a cautious approach to trading in the coming year. The Company continues to receive strong support from the Charity through collaborative use of the facilities and financial backing.

### 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.

The directors' report has therefore been prepared with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

### GOING CONCERN

The directors of the Company, and trustees and executive team of the parent Charity, have reviewed the Company's financial plans as well as principal financial risks. The directors have a reasonable expectation that the Company has adequate resources to continue its operations for 12 months from the signing of these accounts.

The budget for the financial year to September 2023 is for a small trading profit. Trading results for the first five months show that the business is ahead of budget as external events and hotel occupancy continue to build. There are significant wage and price inflationary pressures facing operations, together with competition in the marketplace. Costs will continue to be closely managed to mitigate any adverse effects on financial performance.

The directors have reviewed cash flow projections for the period to June 2024. This incorporates stress testing of key variables, including a potentially reduced growth in income, and increased staff and food and beverage costs. The exercise concluded that the Company may reasonably be assessed as able to operate within the funding arrangements provided by the parent Company.

On 15 September 2020, the directors signed a £1,500k loan agreement with the RSM, and an overdraft facility of up to £1,000k from the RSM was agreed. The agreement states that the loan is to be repaid over six years, with a payment holiday in year one. However, the Charity has reviewed the repayment terms and has resolved to extend the repayment holiday (capital and interest) by a further 12 months to June 2024. The loan is secured by a floating charge over the assets of the Company. The loan support from the parent will allow the Company to recover from the effects of the unforeseen pandemic and return to normal trading activities in the coming years.

In addition, an overdraft facility of £1,000k has been granted by the parent Charity to fund working capital requirements of the Company. This funding stream was utilised in 2020-21 and will be utilised in 2022-23. Trustees of the RSM have resolved not to exercise their contractual right to call in any monies within a 90 day period before June 2024.

The directors will continue to review plans with the executive team of the parent to make the necessary changes to keep costs down and return to positive net assets over the course of the Company's medium term business plan.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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**STRATEGY**

The company's strategy is to optimise its returns to its shareholder, the Royal Society of Medicine, by:

- 1 Seeking to become one of the top three medium sized conferencing venues in the UK by increasing AIM to Silver and then Gold standard; reinstating the Green tourism award and entering nationally recognised venue awards appropriate to conferencing;
- 2 Continuing to provide high class facilities at a reasonable cost to the members of the Royal Society of Medicine, investing in those facilities to maintain that service; and
- 3 Continuing to review the facilities at its disposal, the services offered and optimising the long term returns from investment therein.

**RISK ANALYSIS**

The company's principal financial risks relate to the levels of occupancy of the conferencing facilities, prices achievable, together with the balance between lower margin bookings from the Royal Society of Medicine and other clients from outside the group. The directors have considered the competitive environment within the conferencing market, and occupancy statistics in determining the principal risks referred to above. The directors review and manage these risks through the preparation of monthly management accounts, regular financial forecasting and other key performance indicators.

By order of the Board.



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Michele Acton  
Director  
27 July 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROYAL SOCIETY OF MEDICINE COMMERCIAL SERVICES LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of the 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.

We have audited the financial statements of Royal Society Of Medicine Commercial Services Limited ("the Company") for the year ended 30 September 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, 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).

**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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROYAL SOCIETY OF MEDICINE COMMERCIAL SERVICES LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**Other information (continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Other Companies Act 2006 reporting**

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

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

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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROYAL SOCIETY OF MEDICINE  
COMMERCIAL SERVICES LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**Auditor's 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 auditor's 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.

**Extent to which the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Company and the industry in which it operates, we identified the principal laws and regulations that both directly and indirectly affect the financial statements. The main areas of focus were the UK Companies Act and relevant tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Director and other management and inspection of regulatory and legal correspondence, if applicable.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined the principal risks were related to inappropriate journal entries and management bias in accounting estimates.

We also completed the following procedures:

- Made enquires with management and the Director regarding known or suspected instances of non-compliance with laws and regulation and fraud, as well as around actual and potential litigation and claims;
- Assessed the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud;
- Reviewed financial statement disclosures and agreed to supporting documentation to assess compliance with applicable laws and regulations;
- Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results, such as the calculation of the cost recharge from the Company's parent.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROYAL SOCIETY OF MEDICINE  
COMMERCIAL SERVICES LIMITED FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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**Extent to which the audit was capable of detecting irregularities, including fraud (continued)**

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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**Gareth M Jones (Senior Statutory Auditor)**  
For and on behalf of BDO LLP, statutory auditor  
London, UK

Date 27 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# ROYAL SOCIETY OF MEDICINE COMMERCIAL SERVICES LIMITED

## PROFIT AND LOSS

for the year ended 30 September 2022

	NOTE	2022 Total £000	2021 Total £000
Turnover	6	3,934	616
Cost of sales		<u>(2,728)</u>	<u>(1,325)</u>
Gross profit/(loss)		1,206	(709)
Administrative costs		(906)	(471)
Other operating income	6	<u>-</u>	<u>255</u>
Profit/(loss) before taxation	7	300	(925)
Taxation	10	<u>-</u>	<u>-</u>
Profit/(loss) for the year and total comprehensive Income for the year		<u><u>300</u></u>	<u><u>(925)</u></u>

The notes on pages 12 to 18 form part of these accounts.

# ROYAL SOCIETY OF MEDICINE COMMERCIAL SERVICES LIMITED

## BALANCE SHEET at 30 September 2022

	NOTE	2022 £000	2021 £000
<b>CURRENT ASSETS</b>			
Stock	11	46	38
Debtors	12	769	93
Cash at bank and in hand		<u>48</u>	<u>416</u>
		863	547
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	13	<u>(497)</u>	<u>(481)</u>
<b>NET CURRENT ASSETS</b>		366	66
<b>CREDITORS DUE AFTER ONE YEAR</b>	14	<u>(1,500)</u>	<u>(1,500)</u>
<b>NET LIABILITIES</b>		<u>(1,134)</u>	<u>(1,434)</u>
<b>Capital and Reserves</b>			
Called up share capital	16	1	1
Profit and loss account		<u>(1,135)</u>	<u>(1,435)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>(1,134)</u>	<u>(1,434)</u>

The notes on pages 12 to 18 form part of these accounts.

The accounts have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 27 July 2023 and signed on 27 July 2023



Michele Acton

DIRECTOR

Company number : 2820374

# ROYAL SOCIETY OF MEDICINE COMMERCIAL SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 September 2022

	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 1 October 2020	1	(510)	(509)
Loss for the year	-	(925)	(925)
Donation to parent made under qualifying charitable donation	-	-	-
Tax relief obtained on gift aid payment	-	-	-
Balance at 30 September 2021	1	(1,435)	(1,434)
Profit for the year	-	300	300
Donation to parent made under qualifying charitable donation	-	-	-
Tax relief obtained on gift aid payment	-	-	-
Balance at 30 September 2022	1	(1,135)	(1,134)

The notes on pages 12 to 18 form part of these accounts.

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 30 September 2022**

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**1. Company information**

Royal Society Of Medicine Commercial Services Limited was incorporated in England on 21 May 1993. The Company Number is 2820374, and it is a private company limited by shares.

The registered office address is 1 Wimpole Street, London, W1G 0AE.

**2. Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

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 7 statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraph 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of the Royal Society of Medicine as at 30 September 2022 and these financial statements may be obtained from: 1 Wimpole Street, London W1G 0AE.

**Going concern**

The directors of the Company, and trustees and executive team of the parent Charity have reviewed the Company's financial plans as well as principal financial risks. The directors have a reasonable expectation that the Company has adequate resources to continue its operations for 12 months from the signing of these accounts.

The budget for the financial year to 30 September 2023 is for a small trading profit. Trading results for the first five months show that the business is ahead of budget.

In order to continue to operate, the parent Charity has provided financial support to the Company with by way of a £1,500k loan repayable over six years and an overdraft facility of up to £1,000k, details of which can be found in the Directors Report. The parent Charity has resolved to extend the repayment holiday for interest and capital by a further twelve months until June 2024. In addition, the parent Charity has resolved not to call in any monies within a 90-day period before June 2024.

The Company has reviewed cash flow projections to June 2024. This incorporates stress testing of key variables, including a potentially reduced growth of income, and increased staff and food and beverage costs. The exercise concluded that the Company may reasonably be assessed as able to operate within the funding arrangements provided by the parent company.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 September 2022**

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**Going concern (continued)**

The directors believe that, while uncertainty still exists, this does not pose a material uncertainty that would cast doubt on the company's ability to continue as a going concern. The directors, therefore, consider it appropriate for the accounts to be prepared on a going concern basis.

**3. Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The adoption of the going concern basis is considered to be a significant judgement where estimates have been made as a result of the ongoing pandemic. Further details can be found throughout the report.

**4. Payment to parent charity under Gift Aid**

The Company has adopted a policy of paying all of its taxable profits to the Society, under Gift Aid, in the next financial period when it is approved by the directors of this subsidiary. If an operating profit exists at the balance sheet date, a tax liability arises in the company. The current tax liability will be reversed in the next financial period provided that the approved post year end Gift Aid declaration is settled within nine months of the reporting date. The Gift Aid payments are therefore recognised as distributions through equity. However, due to losses as a result of the COVID-19 pandemic, the company has not been able to make any Gift Aid payments to the charity in either 2020-21, or 2021-22.

**5. Accounting Policies**

**a) Turnover**

Turnover is measured at fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services relating to catering, conference and accommodation services.

Turnover is reported when the company is legally entitled to the income, there is probability of receipt, and the amounts can be quantified with reasonable accuracy. If these conditions are not met then the income is deferred.

Turnover from conferencing and hospitality is accounted for by the point of event date.

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 30 September 2022**

b) Stock

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

c) Debtors

Trade and other debtors are recognised at the settlement amount due, less any provision for bad or doubtful amounts. Such provisions are specific, and applied in a consistent manner based on age of debts and other factors affecting potential recoverability.

d) Bank and cash

Cash represents balances on hand with a short maturity of three months or less. Such balances are subject to insignificant risk of changes in value, and are readily convertible.

e) Creditors

Trade and other creditors are recognised at transaction price due, after allowing for any trade discounts.

f) Other financial instruments

The Company has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other.' The Society only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

g) Pension Costs

The company operates via The Royal Society of Medicine a defined contribution pension scheme. The pension costs shown in Note 9 represent contributions payable to the scheme.

**6. Turnover**

The company's turnover relates to the provision of catering, conference and accommodation services for The Royal Society of Medicine which are all provided in the United Kingdom.

The Company also benefited from the Government's Furlough scheme during the pandemic.

	2022 £000	2021 £000
Income from rendering of services	3,934	616
Other operating income (Furlough)	-	255

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2022**

**7. Profit/(loss) before taxation is stated after charging**

	2022 £000	2021 £000
Auditors' remuneration	15	15

**8. Directors' Remuneration**

Directors' emoluments for the company, including benefits in kind (excluding Employers National Insurance), totalled £340k (2021: £424k). The highest paid director received emoluments of £113,911 (2021: £185,249). The total emoluments reflect the work undertaken by the directors for the Company and also the parent Charity.

Pension contributions totalling £33k were paid during the year in respect of four directors (2021: £63k for three directors).

	5	
	2022 £000	2021 £000
<b>9. Staff Costs</b>		
Wages and salaries	1,717	949
Social Security Costs	192	131
Pension Contributions / Life assurance	190	153
Other	292	17
	<u>2,391</u>	<u>1,250</u>

Most of the staff of the parent entity, the Royal Society of Medicine are employed by the company and their employment costs are recharged to the Royal Society of Medicine accordingly.

Only the net cost to the company of £2,391k (2021: £1,250k) is included in these accounts, of which an average of 63 are employees (2021: 46 employees) employed by the Company, and worked on key business activities for the Royal Society Of Medicine Commercial Services Limited.

The average number of persons employed on the group's business each month during the year ended 30 September 2022 was 132 (2021: 112).

Termination payments for the year total £nilk (2021: £nilk).



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2022**

**Key management personnel:**

The below costs relate to key management personnel's activities for the Royal Society of Medicine group.

The total employee benefits (including pension) paid to key management personnel was £711k (2021: £599k).

**10. Taxation**

(a) The tax charge is based on the profit for the year and represents:

The Company has adopted a policy of paying all of its taxable profits being £nil (2021: £nil) to the parent, The Royal Society of Medicine, under Gift Aid in the next financial period when it is approved by the directors of this subsidiary. An operating profit exists at the balance sheet date, on which a tax liability arises in the Company. The current tax liability will be covered by brought forward trading losses.

(b) Factors that may affect future tax charges

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

	2022 £000	2021 £000
UK Corporation Tax	-	-
Total current tax	-	-
Deferred taxation	-	-
Tax on results on ordinary activities	-	-
The tax assessed for the year is the standard rate of corporation tax in the United Kingdom at 19% (2021: 19%).		
Effects of:		
Expenses not deductible for tax purposes	-	-
Higher tax rates on overseas earnings	-	-
Total tax charge for period	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2022

11. Stock	2022 £000	2021 £000
Consumables (food and beverage)	46	38

Stock recognised in cost of sales during the year as an expense was £423k (2021: £55k).

There were no impairment losses during the year (2021: £nil).

12. Debtors	2022 £000	2021 £000
Trade debtors	704	48
Prepayment and accrued income	65	45
	769	93

13. Creditors: amounts falling due within one year	2022 £000	2021 £000
Trade creditors	117	40
Accruals and deferred income	111	32
Other creditors	23	121
Other Tax and Social Security	129	131
Amounts due to group undertakings	117	157
	497	481

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: amounts falling due after one year	2022 £000	2021 £000
Loan from parent Charity	1,500	1,500

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 30 September 2022**

**15. Loan and on-demand overdraft facility from the parent Charity**

RSM Commercial Services Ltd has entered into a loan agreement with the RSM Charity for a loan of £1,500k which was drawdown on 1 October 2020. The loan was borrowed for working capital purposes and to assist the Company in achieving and maintaining future profitability. Capital and interest are repayable over a six year term. Interest is charged at the rate of 12 months' LIBOR sterling. A repayment holiday was in existence for the first 12 months' of the agreement, but this has since been extended by the RSM so that first repayments are due in September 2024.

In addition to the loan, the RSM has also provided an on demand overdraft facility for the Company, up to £1,000k. Interest on the facility is chargeable at 1% above LIBOR per annum. The agreement allows for the parent Charity to demand repayment of outstanding sums within a 90 day period. However, the RSM has agreed to waive this contractual clause to the end of June 2024. At 30 September 2022, £117k was drawn down (see Note 13).

Both the loan and overdraft facilities are secured by means of a floating charge against the assets of the Company.

**16. Share Capital**

	2022 £000	2021 £000
Authorised ordinary shares of £1 each	500	500
Issued, allotted and fully paid	1	1

**17. Ultimate Parent Undertaking**

The ultimate parent undertaking is The Royal Society of Medicine (charity no: 206219), a charity established under a Royal Charter. A copy of the group financial statements can be obtained from The Royal Society of Medicine, 1 Wimpole Street, London W1G 0AE.

**18. Transactions with related parties**

The company has taken advantage of the exemption available to 100% subsidiary undertakings under section 33 of FRS 102 regarding disclosure of related party transactions within the same group.

There were no other related party transactions to report.

**19. Post balance sheet events**

There are no post balance sheet events after the end of the reporting period.