

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)**

GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010



**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Dr J Y Paton Dr S Hartl
Secretary	Dr J Y Paton
Trustees	Dr J Y Paton Dr S Hartl
Chief Executive Officer	Dr J-L Eisele
Company number	2882989
Charity number	1036260
Registered office	442 Glossop Road Sheffield S10 2PX
Auditors	UHY Wingfield Slater 6 Broadfield Court Broadfield Way Sheffield S8 0XF
Bankers	HSBC Bank plc 251 Fulwood Road Sheffield S10 3BE

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)**

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(including income and expenditure account)

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EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED (LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their annual report and the audited financial statements for the year ended 31 March 2010 which have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and which comply with the charitable company's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005. The European Respiratory Society (UK) Limited is a registered charity and is also a company limited by guarantee under the provisions of the Companies Act 2006. The charitable company does not have a share capital.

Principal activities

Since the charitable company began its operations on 21 December 1993, its principal activity has been to promote the relief and care of respiratory disorders by aiding research into this area. Donations totalling £32,853 have been made during the year.

The directors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. All the above activities are undertaken to further the charity's charitable purposes for the public benefit.

Review of the development, activities and achievements of the charitable company during the year

The activities of the charitable company during the year were focused around furthering the cause of respiratory medicine throughout the world with particular emphasis on Third World countries, Eastern Bloc countries, Southern Europe and parts of South America. The directors feel that good progress has been made in meeting the aims of the charitable company and intend continuing with these activities in the future.

Review of the transactions and financial position of the charitable company and its subsidiary

The total income received from the charitable company's trading subsidiary, European Respiratory Society Journals Limited, amounted to £17,800 (2009: £800). Expenditure in respect of grants and fellowships decreased from £50,850 in 2009 to £32,853 in 2010. This has meant net outgoings of £15,416 in 2010 compared to net outgoings of £71,413 in 2009. The directors consider that the financial position of the charitable company is satisfactory as at 31 March 2010.

The charitable company's trading subsidiary, European Respiratory Society Journals Limited, has continued to carry on the business of producing scientific journals during the year. Reported profits are £585 for the year compared to £596,065 in 2009. On 1 April 2010 the company transferred its trade, assets and liabilities at book values to the ultimate controlling party, European Respiratory Society, and ceased trading. The charitable company is expected to receive its future funding from the UK branch of European Respiratory Society.

Directors

The directors (who are also the trustees) who held office during the year were as follows:

Dr J Y Paton
Dr S Hartl

Neither of the directors has any beneficial interest in the charitable company.

The directors are appointed by the Executive Committee of the ultimate controlling party, European Respiratory Society, which is based in Switzerland. It is the normal duty of the Secretary General and Treasurer of the Executive Committee to become directors of the charitable company. However, if neither is based in the United Kingdom, another member of the Executive Committee is selected who is based in the United Kingdom. A maximum of three directors will be appointed in any one year.

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED (LIMITED BY GUARANTEE)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)

Directors (continued)

The directors are appointed to the charitable company at an appropriate quarterly meeting. Private meetings are held with them, the present directors, the ERS Executive Manager and the ERSJ Limited Publications Manager. New directors also spend a minimum of one day in the ERSJ Limited offices in Sheffield being introduced to staff, the corporate structure and operations and the related activities of the charitable company.

All decisions relating to the granting of Scientific Research Fellowships, the sole activity of the charitable company, are made by the directors.

Reserves policy

The charitable company's policy is to retain general reserves equivalent to cover the funding of one research grant per year. The actual level of freely available general reserves held at 31 March 2010 was £(541,375) (group) £2,245 (charitable company).

Grant making policy

The grant making policy of the charitable company offers fellowship schemes for professionals actively engaged in clinical and basic research in respiratory medicine and pulmonary practice to carry out specific research and clinical projects or obtain training in a clinical or research unit in another European country.

Risk management

The major risk to which the charitable company is exposed is the non-receipt of donations. The charitable company's source of donation is from the UK branch of European Respiratory Society. The UK branch pays its taxable distributable profits to the charitable company. It is foreseen that the non-receipt of donations would only happen if the UK branch did not make any profit. To limit this risk the UK branch endeavours to market subscriptions and advertising space.

Directors' responsibilities

The directors (who are also trustees of European Respiratory Society (UK) Limited) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the charities SORP,
- make judgements and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or charitable company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and of the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)**

Statement of disclosure to auditor

In so far as the directors are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

On behalf of the board

Jan Y. Paton

Dr J Y Paton

Secretary

17 September 2010

Director,

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED

We have audited the financial statements of European Respiratory Society (UK) Limited for the year ended 31 March 2010 set out on pages 6 to 17. The financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable 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 charitable 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 charitable company and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' (who are also the trustees of European Respiratory Society (UK) Limited) responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of directors' responsibilities.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report to you in accordance with those acts. 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993. We also report to you whether, in our opinion, the information given in the directors' report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law were not made.

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

We are not required to consider whether the statement in the directors' report concerning the major risks to which the charitable company is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charitable company's risk management and control procedures.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED (CONTINUED)

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable parent 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 of the state of the group's and the parent charitable company's affairs as at 31 March 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993, and
- the information given in the directors' report is consistent with the financial statements

R J Givans (Senior Statutory Auditor)
for and on behalf of UHY Wingfield Slater

17 September 2010

Chartered Accountants
Statutory Auditor

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME
AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	Unrestricted funds	
		2010 £	2009 £
Incoming resources from generated funds			
Activities for generating funds by the trading subsidiary	2	1,853,682	1,650,501
Bank interest received		-	4,732
Interest receivable on corporation tax refund		-	1,200
Total incoming resources		<u>1,853,682</u>	<u>1,656,433</u>
Resources expended			
Costs of generating funds			
Fundraising trading costs of goods sold and other costs incurred by the trading subsidiary (including exceptional items of (£nil) (2009 (£627,806))	6	<u>1,835,297</u>	<u>1,072,349</u>
Charitable activities			
Grants payable in furtherance of the charity's objects			
Grants and fellowships	5	32,853	50,850
Exchange rate variances		(509)	20,616
Bank charges		<u>7</u>	<u>30</u>
Total charitable expenditure		<u>32,351</u>	<u>71,496</u>
Governance costs			
Audit fee		850	800
Legal and professional fees		<u>15</u>	<u>15</u>
Total governance costs		<u>865</u>	<u>815</u>
Total resources expended		<u>1,868,513</u>	<u>1,144,660</u>
Net (expenditure)/income for the year before taxation	3	(14,831)	511,773
Taxation on (loss)/profit on ordinary activities	4	-	<u>12,879</u>
Net (expenditure)/income for the year		(14,831)	524,652
Fund balance at 1 April 2009		<u>17,941</u>	<u>(506,711)</u>
Fund balance at 31 March 2010	13	<u>3,110</u>	<u>17,941</u>

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME
AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2010**

The group has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the net outgoing resources for the year stated above and its historical cost equivalent

There were no discontinued operations

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)**

**CHARITABLE COMPANY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	Unrestricted funds	
		2010	2009
		£	£
Incoming resources from generated funds			
Investment income			
Income receivable from European Respiratory Society Journals Limited			
Gift aid charitable donation		17,000	-
Donation towards reimbursement of expenses		800	800
Bank interest received		-	98
Total incoming resources		<u>17,800</u>	<u>898</u>
Resources expended			
Charitable activities			
Grants payable in furtherance of the charity's objects			
Grants and fellowships	5	32,853	50,850
Exchange rate variances		(509)	20,616
Bank charges		7	30
Total charitable expenditure		<u>32,351</u>	<u>71,496</u>
Governance costs			
Audit fee		850	800
Legal and professional fees		15	15
Total governance costs		<u>865</u>	<u>815</u>
Total resources expended		<u>33,216</u>	<u>72,311</u>
Net (expenditure) for the year	3	(15,416)	(71,413)
Fund balance at 1 April 2009		<u>17,661</u>	<u>89,074</u>
Fund balance at 31 March 2010		<u>2,245</u>	<u>17,661</u>

The charitable company has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the net outgoing resources for the year stated above and its historical cost equivalent

There were no discontinued operations

EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)

BALANCE SHEETS AS AT 31 MARCH 2010

	Notes	Group 2010 £	2009 £	Charitable company 2010 £	2009 £
Fixed assets					
Tangible assets	8	510,356	736,943	-	-
Investments	9	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>510,356</u>	<u>736,943</u>	<u>-</u>	<u>-</u>
Current assets					
Stocks		28,786	29,216	-	-
Debtors	10	348,363	295,133	4,940	-
Cash at bank and in hand		<u>530,632</u>	<u>490,811</u>	<u>916</u>	<u>81,648</u>
		907,781	815,160	5,856	81,648
Creditors - amounts falling due within one year	11	<u>(1,042,944)</u>	<u>(941,679)</u>	<u>(3,611)</u>	<u>(63,987)</u>
Net current (liabilities)/assets		<u>(135,163)</u>	<u>(126,519)</u>	<u>2,245</u>	<u>17,661</u>
Total assets less current liabilities		375,193	610,424	2,245	17,661
Creditors: amounts falling due after more than one year	12	<u>(372,083)</u>	<u>(592,483)</u>	<u>-</u>	<u>-</u>
Net assets employed		<u>3,110</u>	<u>17,941</u>	<u>2,245</u>	<u>17,661</u>
Capital and reserves					
Called up share capital		-	-	-	-
Unrestricted funds	13	(31,019)	(16,188)	2,245	17,661
Capital reserve		<u>34,129</u>	<u>34,129</u>	<u>-</u>	<u>-</u>
		<u>3,110</u>	<u>17,941</u>	<u>2,245</u>	<u>17,661</u>

Authorised by the Board for issue on 17 September 2010

Dr J Y Paton
Secretary

James Y. Paton
Director

Dr S Hartl
Director

S Hartl

Company number 2882989

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

1. Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Companies Act 2006 and the Charities Act

The accounts have been prepared on a going concern basis as the group will continue to have the financial support of the ultimate controlling party, The European Respiratory Society, based in Switzerland

1.2 Cash flow statement

In the opinion of the directors the charitable company qualifies as a small company and accordingly a cash flow statement is not required

1.3 Basis of consolidation

The group financial statements comprise the financial statements of the charitable company and its trading subsidiary made up to the end of the financial year

1.4 Income from activities for generating funds

Income from activities for generating funds represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year by the charitable company's wholly owned subsidiary European Respiratory Society Journals Limited, which produces scientific journals

Subscription income is recognised on a straight line basis in relation to the period of subscription Advertising income is recognised when an advert appears in a publication Other sales income is recognised when the goods are physically delivered to the customer Income received in advance and not falling to be recognised in the Statement of Financial Activities for the year is deferred and carried forward in creditors

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation

Depreciation is provided at the following rates to write off all tangible fixed assets over their expected useful lives

Freehold buildings		2% Straight line
Fixtures and fittings	-	12 50% Straight line
Computer equipment	-	33 33% Straight line

1.6 Capitalisation of fixed assets

Items of capital expenditure of £500 or more are capitalised as fixed assets (£100 prior to 1 April 2009) The directors may capitalise items less than this value at their discretion

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)**

1. Accounting policies (continued)

1.7 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the statement of financial activities.

1.8 Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value represents estimated selling price less costs to complete and sell. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than cost.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes where these are material.

1.10 Pension costs

The pension costs charged in the financial statements represent the contributions payable by the group during the year in accordance with FRS 17.

1.11 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.12 Grants payable in furtherance of the charitable company's objects

Grants payable represents the amounts awarded to beneficiaries and payable during the period in which the grant is awarded.

1.13 Allocation of resources expended

Resources expended are allocated to headings in the statement of financial activities based on the actual purpose of the expenditure. No apportionments have taken place.

Costs of generating funds represents the costs incurred by the trading subsidiary whose sole aim is to generate funds for the charitable company.

Grants payable in furtherance of the charitable company's objects represents grants and fellowships payable to beneficiaries together with directly related expenditure associated with these ie exchange rate gains/losses, bank transfer charges.

Governance costs represent the costs of managing and administering the charitable company as a statutory vehicle.

2. Turnover

In the year to 31 March 2010 90.00% (2009 - 90.00%) of the subsidiary company's turnover was to markets outside the United Kingdom.

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)**

3. Net (outgoing)/incoming resources

	2010	2009
	£	£
Net (outgoing)/incoming resources are stated after charging		
Operating lease - equipment - subsidiary company	1,525	1,620
Auditor's remuneration		
- Charitable company	850	800
Auditor's remuneration for non-audit work (including the audit of the subsidiary company)	11,200	8,275
Depreciation - subsidiary company	10,047	26,321
Property impairment - subsidiary company	220,400	66,531
Staff costs - subsidiary company (note 7)	756,415	790,356
Directors' remuneration		
- Subsidiary company	-	-
- Charitable company	-	-
Foreign exchange currency differences	6,492	285,511
(including exceptional item of £nil (2009 £265,291))		
and after crediting		
Training grants received	<u>756</u>	<u>-</u>

4. Taxation

	2010	2009
	£	£
Subsidiary company		
U K corporation tax	<u>-</u>	<u>(12,879)</u>
Adjustment for prior years	<u>-</u>	<u>-</u>

The subsidiary company has estimated losses of £nil (2009 - £6,000) available for carry forward against future trading profits

5. Grants and fellowships

Fellowships of £32,853 were made to 2 individuals during the year

6. Costs for generating funds

	2010	2009
	£	£
Cost of sales incurred by the trading subsidiary:		
Magazine printing and other direct costs	471,581	411,848
Stationery and distribution	357,390	254,236
Promotional activities	<u>34,733</u>	<u>26,001</u>
	<u>863,704</u>	<u>692,085</u>

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)**

6. Costs for generating funds (cont)

	2010	2009
	£	£
Administrative expenses incurred by the trading subsidiary:		
Wages and secretarial expenses (note 7)	756,415	790,356
Staff training and recruitment	6,796	9,591
Rates	514	2,957
Insurance	14,871	11,166
Light and heat	4,636	6,376
Cleaning	1,765	2,104
Repairs and maintenance	4,956	3,200
Printing, postage and stationery	3,577	4,331
Telephone	2,436	2,933
Computer running costs	89,575	83,103
Equipment leasing	1,525	1,620
Travel and motor expenses	31,422	33,865
Legal and professional fees	11,333	3,035
Accountancy	6,850	4,275
Audit fees	4,350	4,000
Bank charges	4,325	4,305
Foreign exchange currency differences	7,001	(396)
Bad and doubtful debts	5,184	3,001
Sundry expenses	4,015	8,534
Charitable donations	-	100
Depreciation of tangible fixed assets	10,047	26,321
Interest charges incurred by the trading company		
Loan interest payable to group companies	-	1,030
Interest on overdue tax paid	-	2,263
Exceptional items incurred by the trading company		
Foreign exchange difference	-	265,291
Property impairment	220,400	66,531
Inter-company loan written off	<u>(220,400)</u>	<u>(959,628)</u>
	<u>971,593</u>	<u>380,264</u>
Total costs of generating funds	<u>1,835,297</u>	<u>1,072,349</u>

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)**

7. Staff costs

	2010 £	2009 £
Gross wages and salaries and secretarial expenses	694,529	727,273
Employers' NIC contributions	52,051	53,579
Employers' pension contributions	<u>9,835</u>	<u>9,504</u>
	<u>756,415</u>	<u>790,356</u>

The average number of employees of the subsidiary company was 22 (2009 - 21) There were no employees in the subsidiary company whose annual emoluments were £60,000 or more

8. Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings and computer equipment	Total
	£	£	£
Group and subsidiary company			
Cost or valuation			
At 1 April 2009	1,187,131	88,557	1,275,688
Additions	<u>-</u>	<u>3,860</u>	<u>3,860</u>
At 31 March 2010	<u>1,187,131</u>	<u>92,417</u>	<u>1,279,548</u>
Depreciation			
At 1 April 2009	471,731	67,014	538,745
Charge for the year	<u>220,400</u>	<u>10,047</u>	<u>230,447</u>
At 31 March 2010	<u>692,131</u>	<u>77,061</u>	<u>769,192</u>
Net book value			
At 31 March 2010	<u>495,000</u>	<u>15,356</u>	<u>510,356</u>
At 31 March 2009	<u>715,400</u>	<u>21,543</u>	<u>736,943</u>

A valuation of the land and buildings was made during March 2010 by Fernie Greaves, Chartered Surveyors, on an open market basis. The land and buildings were valued at £495,000. A previous valuation was made during April 2008 in which the land and buildings were valued at £730,000.

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010 (CONTINUED)**

9. Investments

The charitable company was given the whole of the issued share capital of European Respiratory Society Journals Limited, a company incorporated in England and Wales, on 22 September 1995. This company carries on the business of producing scientific journals on the subject of respiratory disorders, research and medicine and is included in these consolidated accounts. At 31 March 2010 this company had aggregate share capital and reserves of £867 and profit for the year then ended of £585. The results are summarised as

	2010 £	2009 £
Turnover	1,850,708	1,648,971
Cost of sales	<u>(863,704)</u>	<u>(692,085)</u>
Gross profit	987,004	956,886
Administrative expenses	(989,393)	(1,005,577)
Other operating income	<u>2,974</u>	<u>1,530</u>
Operating profit/(loss)	585	(47,161)
Exceptional item - Foreign exchange difference	-	(265,291)
Exceptional item - Property impairment	(220,400)	(66,531)
Exceptional item - Inter-company loan written off	220,400	959,628
Interest receivable	-	5,834
Interest payable and similar charges	<u>-</u>	<u>(3,293)</u>
Profit before taxation	585	583,186
Taxation on profit on ordinary activities	<u>-</u>	<u>12,879</u>
Profit after taxation	<u><u>585</u></u>	<u><u>596,065</u></u>
Aggregate assets	1,417,223	1,470,502
Aggregate liabilities	<u>(1,416,356)</u>	<u>(1,470,220)</u>
Aggregate surplus	<u><u>867</u></u>	<u><u>282</u></u>

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)**

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

10. Debtors

	Group		Charitable company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	291,425	203,536	-	-
Amounts owed by group undertakings	-	-	4,940	-
Other debtors	13,759	18,375	-	-
Prepayments and accrued income	<u>43,179</u>	<u>73,222</u>	<u>-</u>	<u>-</u>
	<u>348,363</u>	<u>295,133</u>	<u>4,940</u>	<u>-</u>

11. Creditors: amounts falling due within one year

	Group		Charitable company	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	81,520	151,402	-	-
Amounts owed to group undertakings	323,413	137,225	2,761	16,618
Taxation and social security	15,683	15,792	-	-
Other creditors	2,893	49,387	-	46,569
Accruals	220,668	115,878	850	800
Deferred income	<u>398,767</u>	<u>471,995</u>	<u>-</u>	<u>-</u>
	<u>1,042,944</u>	<u>941,679</u>	<u>3,611</u>	<u>63,987</u>

All deferred income relates to income received in advance in the current year. Deferred income brought forward has been released to the Statement of Financial Activities.

12. Creditors: amounts falling due after more than one year

	Group		Charitable company	
	2010	2009	2010	2009
	£	£	£	£
Amounts owed to group undertakings	<u>372,083</u>	<u>592,483</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Wholly repayable within five years	<u>372,083</u>	<u>592,483</u>	<u>-</u>	<u>-</u>

13. Reserves

	Charitable company unrestricted fund	Trading subsidiary capital reserve	Non- charitable trading funds	Total group reserves
	£	£	£	£
At 1 April 2009	17,661	34,129	(33,849)	17,941
Retained (loss)/profit for the year	<u>(15,416)</u>	<u>-</u>	<u>585</u>	<u>(14,831)</u>
At 31 March 2010	<u>2,245</u>	<u>34,129</u>	<u>(33,264)</u>	<u>3,110</u>

**EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED
(LIMITED BY GUARANTEE)**

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

14. Pensions

The subsidiary company contributes to defined contribution pension schemes for certain employees, the assets of which are held in separate trustee administered funds. Contributions paid during the year were £9,834 (2009 - £9,504). Amounts owed by the subsidiary company to the funds at 31 March 2010 were £2,147 (2009 £2,045).

There are no directors in this scheme.

15. Control

The ultimate controlling party is European Respiratory Society, which is based in Switzerland. It is unknown whether any individual has control over that organisation. European Respiratory Society prepares group accounts and copies can be obtained from 4 Ave Sainte-Luce, CH-1003, Lausanne, Switzerland.

16. Related party transactions

In accordance with Financial Reporting Standard no. 8 the charitable company has taken advantage of the exemption from disclosing details of transactions with its trading subsidiary company on the grounds that the trading subsidiary company is included within these consolidated accounts and from disclosing transactions with its parent on the grounds that consolidated accounts are prepared by its parent company.

17. Transactions involving directors of the trading subsidiary company and connected persons

No remuneration or reimbursed expenses were paid to any directors of either the charitable company or its trading subsidiary.

18. Financial commitments

At 31 March 2010 the group was committed to making the following payments under non-cancellable operating leases in the period to 31 March 2011:

	2010	2009
	£	£
Expiry date		
Between two and five years	<u>1,525</u>	<u>1,525</u>

19. Charitable commitments

The charitable company had no charitable commitments at 31 March 2010.

20. Post balance sheet events

On 1 April 2010 the company's subsidiary, European Respiratory Society Journals Limited, transferred its trade, assets and liabilities at book values to the ultimate controlling party, European Respiratory Society, and ceased trading. The charitable company is expected to receive its future funding from the UK branch of European Respiratory Society.