

Charity Registration No. 1036260

Company Registration No. 2882989 (England and Wales)

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

**DIRECTORS' REPORT AND GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

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

**LEGAL AND ADMINISTRATIVE INFORMATION**

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**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  
Wellington House  
39 Wellington Street  
Sheffield  
S1 1XB

**Bankers**

HSBC Bank plc  
251 Fulwood Road  
Sheffield  
S10 3BE

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

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

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2009**

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The directors present their annual report and the audited financial statements for the year ended 31 March 2009 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 1985 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 1985. 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 £50,850 have been made during the year.

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

The activities of the charitable charity during the year were focused around furthering the cause of respiratory medicine throughout the world with particular emphasis on Third World countries, Eastern Block 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 £800. This total is the same as that received in 2008. Expenditure in respect of grants and fellowships decreased from £140,460 in 2008 to £50,850 in 2009. This has meant net outgoings of £71,413 in 2009 compared to net outgoings of £163,707 in 2008. The directors consider that the financial position of the charitable charity is satisfactory as at 31 March 2009.

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 £596,065 for the year compared to losses of £620,911 in 2008, the directors consider that the financial position of the trading subsidiary is still satisfactory as at 31 March 2009 and intend to continue operating this trade as a means of raising funds in the future. £627,806 of the profits for the year relate to exceptional items due to exchange rate fluctuations, asset value impairment and the write-off of an inter-group loan. Without these there would have been a reported loss of £31,741.

### **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.

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.

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

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

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**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 general reserves held at 31 March 2009 was £17,941 (group): £17,661 (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 its trading company. The trading company pays its taxable distributable profits to the charitable company. It is foreseen that the non-receipt of donations would only happen if the trading company did not make any profit. To limit this risk the trading company endeavours to market subscriptions and advertising space.

**Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The directors are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources of the charitable company and group for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and Statements of Recommended Practice 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 1985 and the Charities Act 1993. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditor**

- (a) so far as the directors are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- (b) they have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the charitable company's auditors are aware of that information.

On behalf of the board

Dr J Y Paton

Secretary

11 September 2009



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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of European Respiratory Society (UK) Limited for the year ended 31 March 2009 on pages 5 to 16. These 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 Section 235 of the Companies Act 1985. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable 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 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.

**Basis of 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 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.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EUROPEAN RESPIRATORY SOCIETY (UK) LIMITED (CONTINUED)**

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**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 group's and parent charitable company's affairs as at 31 March 2009 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*UHY wingfield slater*

UHY Wingfield Slater  
Chartered Accountants  
Registered Auditor

11 September 2009

Wellington House  
39 Wellington Street  
Sheffield  
S1 1XB

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND  
EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2009**

	Note	Unrestricted funds 12 months ended 31 March 2009 £	15 months ended 31 March 2008 £
<b>Incoming resources from generated funds</b>			
Activities for generating funds by the trading subsidiary	2	1,650,501	1,716,349
Bank interest received		4,732	13,639
Interest receivable on corporation tax refund		<u>1,200</u>	<u>-</u>
<b>Total incoming resources</b>		<u>1,656,433</u>	<u>1,729,988</u>
<b>Resources expended</b>			
<b>Costs of generating funds</b>			
Fundraising trading: costs of goods sold and other costs incurred by the trading subsidiary (including exceptional items of (£627,806) (2008 : £581,461))	6	<u>1,072,349</u>	<u>2,327,555</u>
<b>Charitable activities</b>			
Grants payable in furtherance of the charity's objects			
Grants and fellowships	5	50,850	140,460
Exchange rate variances		20,616	23,462
Bank charges		<u>30</u>	<u>30</u>
<b>Total charitable expenditure</b>		<u>71,496</u>	<u>163,952</u>
<b>Governance costs</b>			
Audit fee		800	800
Legal and professional fees		<u>15</u>	<u>15</u>
<b>Total governance costs</b>		<u>815</u>	<u>815</u>
<b>Total resources expended</b>		<u>1,144,660</u>	<u>2,492,322</u>
<b>Net income/(expenditure) for the year before taxation</b>	3	511,773	(762,334)
Taxation on profit/(loss) on ordinary activities	4	<u>12,879</u>	<u>(22,284)</u>
<b>Net income/(expenditure) for the year</b>		524,652	(784,618)
<b>Fund balance at 1 April 2008</b>		<u>(506,711)</u>	<u>277,907</u>
<b>Fund balance at 31 March 2009</b>	13	<u>17,941</u>	<u>(506,711)</u>



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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND  
EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

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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 incoming 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 2009**

	Note	Unrestricted funds 12 months ended 31 March 2009 £	15 months ended 31 March 2008 £
<b>Incoming resources from generated funds</b>			
<b>Investment income</b>			
Income receivable from European Respiratory Society Journals Limited:			
Donation towards reimbursement of expenses		800	800
Bank interest received		<u>98</u>	<u>260</u>
<b>Total incoming resources</b>		<u><b>898</b></u>	<u><b>1,060</b></u>
<b>Resources expended</b>			
<b>Charitable activities</b>			
Grants payable in furtherance of the charity's objects:			
Grants and fellowships	5	50,850	140,460
Exchange rate variances		20,616	23,462
Bank charges		<u>30</u>	<u>30</u>
<b>Total charitable expenditure</b>		<u><b>71,496</b></u>	<u><b>163,952</b></u>
<b>Governance costs</b>			
Audit fee		800	800
Legal and professional fees		<u>15</u>	<u>15</u>
<b>Total governance costs</b>		<u><b>815</b></u>	<u><b>815</b></u>
<b>Total resources expended</b>		<u><b>72,311</b></u>	<u><b>164,767</b></u>
<b>Net (expenditure) for the year</b>	3	<b>(71,413)</b>	<b>(163,707)</b>
<b>Fund balance at 1 April 2008</b>		<u><b>89,074</b></u>	<u><b>252,781</b></u>
<b>Fund balance at 31 March 2009</b>		<u><b>17,661</b></u>	<u><b>89,074</b></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 incoming resources for the year stated above and its historical cost equivalent.

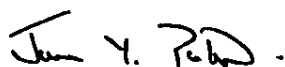
There were no discontinued operations.

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

**BALANCE SHEETS AS AT 31 MARCH 2009**

	Note	Group 2009 £	2008 £	Charitable company 2009 £	2008 £
<b>Fixed assets</b>					
Tangible assets	8	736,943	754,542	-	-
Investments	9	-	-	-	-
		<u>736,943</u>	<u>754,542</u>	<u>-</u>	<u>-</u>
<b>Current assets</b>					
Stocks		29,216	29,066	-	-
Debtors - due within one year	10	295,133	458,029	-	99,501
Cash at bank and in hand		<u>490,811</u>	<u>695,474</u>	<u>81,648</u>	<u>202,155</u>
		815,160	1,182,569	81,648	301,656
<b>Creditors - amounts falling due within one year</b>	11	<u>(941,679)</u>	<u>(1,157,002)</u>	<u>(63,987)</u>	<u>(212,582)</u>
<b>Net current (liabilities)/assets</b>		<u>(126,519)</u>	<u>25,567</u>	<u>17,661</u>	<u>89,074</u>
<b>Total assets less current liabilities</b>		610,424	780,109	17,661	89,074
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(592,483)</u>	<u>(1,286,820)</u>	<u>-</u>	<u>-</u>
<b>Net assets/(liabilities) employed</b>		<u>17,941</u>	<u>(506,711)</u>	<u>17,661</u>	<u>89,074</u>
<b>Capital and reserves</b>					
Called up share capital		-	-	-	-
Unrestricted funds	13	(16,188)	(540,840)	17,661	89,074
Capital reserve		<u>34,129</u>	<u>34,129</u>	<u>-</u>	<u>-</u>
		<u>17,941</u>	<u>(506,711)</u>	<u>17,661</u>	<u>89,074</u>

Authorised by the Board for issue on 11 September 2009



Dr J Y Paton  
Secretary



Dr S Hartl  
Director

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009**

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**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 1985 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.

**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% / 25% Straight line
Computer equipment	-	33.33% Straight line

Freehold land is not depreciated.

**1.6 Capitalisation of fixed assets**

Items of capital expenditure of £100 or more are capitalised as fixed assets. The directors may capitalise items less than this value at their discretion.

**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.

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

**1. Accounting policies (continued)**

**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 2009 90.00% (2008 - 90.00%) of the subsidiary company's turnover was to markets outside the United Kingdom.

**3. Net incoming/(outgoing) resources**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Net incoming/(outgoing) resources are stated after charging:		
Operating lease - buildings - subsidiary company	-	25,812
Operating lease - equipment - subsidiary company	1,620	1,341
Auditor's remuneration:		
- Charitable company	800	800
Auditor's remuneration for non-audit work (including the audit of the subsidiary company)	8,275	9,790
Depreciation - subsidiary company	26,321	17,762
Staff costs - subsidiary company (note 7)	790,356	736,015
Directors' remuneration:		
- Subsidiary company	-	-
- Charitable company	-	-

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

**4. Taxation**

	2009 £	2008 £
Subsidiary company: U.K. corporation tax	<u>(12,879)</u>	<u>-</u>
Adjustment for prior years	<u>-</u>	<u>22,284</u>

The subsidiary company has estimated losses of £6,000 (2008 - £nil) available for carry forward against future trading profits.

**5. Grants and fellowships**

Fellowships of £79,274 were made to 3 individuals during the year, and 1 fellowship of £28,424, previously shown in creditors was not taken up and was therefore credited back to the SOFA.

**6. Costs for generating funds**

	2009 £	2008 £
<b>Cost of sales incurred by the trading subsidiary:</b>		
Magazine printing and other direct costs	411,848	438,037
Stationery and distribution	254,236	299,363
Promotional activities	<u>26,001</u>	<u>3,409</u>
	<u>692,085</u>	<u>740,809</u>

**Administrative expenses incurred by the trading subsidiary:**

Wages and secretarial expenses (note 7)	790,356	736,015
Staff training and recruitment	9,591	11,080
Rent and rates	2,957	29,317
Insurance	11,166	12,582
Light and heat	6,376	5,719
Cleaning	2,104	4,497
Repairs and maintenance	3,200	6,797
Office removal and relocation costs	-	4,090
Printing, postage and stationery	4,331	4,797
Telephone	2,933	3,640
Computer running costs	83,103	69,537
Equipment leasing	1,620	1,341
Travel and motor expenses	33,865	37,267
Legal and professional fees	3,035	3,755
Accountancy	4,275	5,790
Audit fees	4,000	4,000
Bank charges	4,305	4,309
Foreign exchange currency differences	(396)	(62)
Bad and doubtful debts	3,001	13,955
Sundry expenses	8,534	3,372
Charitable donations	100	-
Depreciation of tangible fixed assets	26,321	17,762
Loss on disposal of tangible fixed assets	<u>-</u>	<u>995</u>
carried forward	1,004,777	980,555

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

**6. Costs for generating funds (cont)**

	<b>2009 £</b>	<b>2008 £</b>
<b>Administrative expenses incurred by the trading subsidiary: (cont)</b>		
brought forward	1,004,777	980,555
<b>Interest charges incurred by the trading company</b>		
Loan interest payable to group companies	1,030	24,730
Interest on overdue tax paid	2,263	-
<b>Exceptional items incurred by the trading company</b>		
General rates rebate	-	(46,345)
Foreign exchange difference	265,291	238,312
Property impairment	66,531	389,494
Inter-group loan written off	<u>(959,628)</u>	<u>-</u>
	<u>380,264</u>	<u>1,586,746</u>
<b>Total costs of generating funds</b>	<u>1,072,349</u>	<u>2,327,555</u>

**7. Staff costs**

	<b>2009 £</b>	<b>2008 £</b>
Gross wages and salaries and secretarial expenses	727,273	669,876
Employers' NIC contributions	53,579	54,162
Employers' pension contributions	<u>9,504</u>	<u>11,977</u>
	<u>790,356</u>	<u>736,015</u>

The average number of employees of the subsidiary company was 21 (2008 - 18). There were no employees in the subsidiary company whose annual emoluments were £60,000 or more.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

**8. Tangible fixed assets**

	<b>Freehold Land and buildings</b>	<b>Fixtures, fittings and computer equipment</b>	<b>Total</b>
<b>Group and subsidiary company</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>			
At 1 April 2008	1,120,600	79,835	1,200,435
Additions	<u>66,531</u>	<u>8,722</u>	<u>75,253</u>
At 31 March 2009	<u>1,187,131</u>	<u>88,557</u>	<u>1,275,688</u>
<b>Depreciation</b>			
At 1 April 2008	390,600	55,293	445,893
Charge for the year	<u>81,131</u>	<u>11,721</u>	<u>92,852</u>
At 31 March 2009	<u>471,731</u>	<u>67,014</u>	<u>538,745</u>
<b>Net book value</b>			
At 31 March 2009	<u>715,400</u>	<u>21,543</u>	<u>736,943</u>
At 31 March 2008	<u>730,000</u>	<u>24,542</u>	<u>754,542</u>

A valuation of the land and buildings was made during April 2008 by Fernie Greaves, Chartered Surveyors, on an open market basis. The land and buildings were valued at £730,000. Although additional works have been carried out during this year, the directors do not believe these works have added any increase to this value, consequently additional depreciation of £66,531 has been charged during the year.



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009 (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 2009 this company had aggregate share capital and reserves of £282 and profit for the year then ended of £596,065. The results are summarised as:

	<b>12 months ended 31 March 2009 £</b>	<b>15 months ended 31 March 2008 £</b>
Turnover	1,648,971	1,715,903
Cost of sales	<u>(692,085)</u>	<u>(740,809)</u>
Gross profit	956,886	975,094
Administrative expenses	(1,005,577)	(981,355)
Other operating income	<u>1,530</u>	<u>446</u>
Operating loss	(47,161)	(5,815)
Exceptional item - General rates rebate	-	46,345
Exceptional item - Foreign exchange difference	(265,291)	(238,312)
Exceptional item - Property impairment	(66,531)	(389,494)
Exceptional item - Inter-group loan written off	959,628	-
Interest receivable	5,834	13,379
Interest payable and similar charges	<u>(3,293)</u>	<u>(24,730)</u>
Profit/(Loss) before taxation	583,186	(598,627)
Taxation on profit/(loss) on ordinary activities	<u>12,879</u>	<u>(22,284)</u>
Profit/(Loss) after taxation	<u>596,065</u>	<u>(620,911)</u>
Aggregate assets	1,470,502	1,734,958
Aggregate liabilities	<u>(1,470,220)</u>	<u>(2,330,741)</u>
Aggregate surplus/(deficit)	<u>282</u>	<u>(595,783)</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2009 (CONTINUED)**

**10. Debtors**

	2009	Group	Charitable company	
	2008	2008	2009	2008
	£	£	£	£
Trade debtors	203,536	146,833	-	-
Amounts owed by group undertakings	-	189,524	-	99,501
Other debtors	18,375	45,522	-	-
Prepayments and accrued income	<u>73,222</u>	<u>76,150</u>	<u>-</u>	<u>-</u>
	<u>295,133</u>	<u>458,029</u>	<u>-</u>	<u>99,501</u>

**11. Creditors: amounts falling due within one year**

	2009	Group	Charitable company	
	2008	2008	2009	2008
	£	£	£	£
Trade creditors	151,402	169,973	-	-
Amounts owed to group undertakings	137,225	353,313	16,618	127,823
Taxation and social security	15,792	39,257	-	-
Other creditors	49,387	86,857	46,569	83,959
Accruals	115,878	157,088	800	800
Deferred income	<u>471,995</u>	<u>350,514</u>	<u>-</u>	<u>-</u>
	<u>941,679</u>	<u>1,157,002</u>	<u>63,987</u>	<u>212,582</u>

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

	2009	Group	Charitable company	
	2008	2008	2009	2008
	£	£	£	£
Amounts owed to group companies	<u>592,483</u>	<u>1,286,820</u>	<u>-</u>	<u>-</u>
<b>Analysis of loans</b>				
Wholly repayable after more than five years	<u>592,483</u>	<u>1,286,820</u>	<u>-</u>	<u>-</u>

**13. Reserves**

	Charitable company	Trading subsidiary	Non-charitable	Total
	unrestricted fund	capital reserve	trading funds	group reserves
	£	£	£	£
At 1 April 2008	89,074	34,129	(629,914)	(506,711)
Retained (loss)/profit for the year	<u>(71,413)</u>	<u>-</u>	<u>596,065</u>	<u>524,652</u>
At 31 March 2009	<u>17,661</u>	<u>34,129</u>	<u>(33,849)</u>	<u>17,941</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009 (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 £9,504 (2008 - £11,977). Amounts owed by the subsidiary company to the fund at 31 March 2009 were £2,045 (2008 - £2,323).

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.

**16. Related party transactions**

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

Transactions have taken place with the ultimate controlling party during the year and the net amount owed by the group at 31 March 2009 was £729,708. The transactions related to amounts paid by the ultimate controlling party on behalf of the group and vice versa.

**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 2009 the group was committed to making the following payments under non-cancellable operating leases in the period to 31 March 2010:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiry date:				
Within one year	-	-	433	433
Between two and five years	<u>-</u>	<u>-</u>	<u>1,092</u>	<u>1,187</u>

**19. Charitable commitments**

The charitable company had no charitable commitments at 31 March 2009.