

07/10/2021

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EACTS Publishing Limited

Annual Report and Financial Statements

Year ended 31 March 2021

Company Registration Number
06396790 (England and Wales)

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Directors	F Beyersdorf (appointed 6 March 2021) P Myers (appointed 6 March 2021)
Registered office	EACTS House Madeira Walk Windsor Berkshire SL4 1EU
Registered number	06396790 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

The directors present their report with the financial statements of EACTS Publishing Limited (Company Registration No. 06396790) for the year ended 31 March 2021.

Principal activity and review of the business

EACTS Publishing Limited is a wholly owned trading subsidiary of the European Association for Cardio-Thoracic Surgery (EACTS). It was incorporated in October 2007 in order to manage the journals and publications of EACTS.

EACTS publishes three journals for the dissemination of high quality research: The European Journal of Cardio-Thoracic surgery (EJCTS), Interactive Cardiovascular and Thoracic Surgery (ICVTS) and Multimedia Manual of Cardio-Thoracic Surgery (MMCTS).

Future developments

In 2020/21, EACTS Publishing Limited will continue to operate as previously.

Directors

The directors in office during the year, who held no beneficial interest in the issued ordinary share capital, were as follows:

Director	Appointed / Resigned
V Falk	Resigned 10 October 2020
D Pagano	Resigned 30 June 2021
F Beyersdorf	Appointed 6 March 2021
P Myers	Appointed 6 March 2021

No director received any remuneration for services as a director (2020 - none).

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and 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 applicable law and United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice). 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 of the company and of the 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 estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to material departures disclosed and explained in the financial statements; and

Statement of directors' responsibilities (continued)

- ◆ 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.

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- ◆ the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions relating to small companies within FRS 102 and Part 15 of the Companies Act 2006.

Signed on behalf of the Board of Directors:

Director:

Approved by the Board on:

Independent auditor's report to the members of EACTS Publishing Limited

Opinion

We have audited the financial statements of EACTS Publishing Limited (the 'company') for the year ended 31 March 2021, which comprise the statement of income and retained earnings and the statement of financial position 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).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss 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.

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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter relating to going concern

We draw attention to the accounting policy on the assessment of going concern on page 10 of the financial statements, which indicates that, due to the financial support of its parent company and fellow subsidiaries, the directors have concluded that the company will be able to meet its liabilities as they fall due for the foreseeable future.

Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Director's Report, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is material inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be material misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exemption

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; 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 Director's Report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on pages 2 and 3, 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.

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, individual or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- ◆ We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which it operates. We determined that the most significant are those that relate to the financial reporting framework, being United Kingdom Generally Accepted Accounting Practice (FRS102) and the Companies Act 2006. We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of directors' meetings.
- ◆ We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - ◇ Evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of the controls;
 - ◇ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◇ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- ◇ Sample based testing of expenditure in the accounting system to supporting documentation and sample based testing of income from source documentation to the accounting system;
- ◇ Challenging assumptions and judgements made by management in assessing the going concern basis of accounting and in its significant accounting estimates; and
- ◇ Identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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.

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

	Notes	2021 €	2020 Restated €
Turnover	1	676,074	533,252
Cost of sales		(602,065)	(497,729)
Gross profit		74,009	35,523
Administrative expenses	2	(581,539)	(543,108)
Operating loss		(507,530)	(507,585)
Bank interest receivable		—	—
Loss on ordinary activities before taxation		(507,530)	(507,585)
Taxation	9	—	—
Loss on ordinary activities after taxation		(507,530)	(507,585)
Distribution to the European Association for Cardio-Thoracic Surgery	11	—	—
Retained earnings brought forward at 1 April 2020		(2,926,411)	(2,418,826)
Retained earnings carried forward at 31 March 2021		(3,433,941)	(2,926,411)

There are no recognised gains and losses for the current period other than those included in the statement of income and retained earnings.

All of the company's activities derived from continuing operations during the above financial periods.

The comparative results have been restated to correct for the reversal of a creditor balance. The correction has resulted in the cost of sales and trade creditors being reduced by €531,824. Further details are provided in note 12 to the accounts.

	Notes	2021 €	2020 Restated €
Fixed assets			
Intangible fixed assets	5	91,712	158,413
Tangible assets	6	750	1,149
		<u>92,462</u>	<u>159,562</u>
Current assets			
Debtors	7	—	810,787
		<u>—</u>	<u>810,787</u>
Liabilities			
Creditors: amounts falling due within one year	8	(3,526,402)	(3,896,759)
Net current liabilities		<u>(3,526,402)</u>	<u>(3,085,972)</u>
Net liabilities		<u>(3,433,940)</u>	<u>(2,926,410)</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		(3,433,941)	(2,926,411)
		<u>(3,433,940)</u>	<u>(2,926,410)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS102 Section 1A – small entities.

Signed on behalf of the Board of Directors of EACTS Publishing Limited by:

Director:

Approved on:

Company number 06396790 (England and Wales)

EACTS Publishing Limited is a private company limited by shares and incorporated in England and Wales (Company Registration Number 06396790). The registered office is EACTS House, Madeira Walk, Windsor, Berkshire, SL4 1EU. It is a wholly owned subsidiary of the European Association for Cardio-Thoracic Surgery (EACTS), a charitable company (Charity Registration Number 1140274 and Company Registration Number 07401765 (England and Wales)).

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below:

Basis of accounting

These financial statements have been prepared in compliance with Section 1A of FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements are prepared in euros and are rounded to the nearest euro.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ Estimating the useful lives of intangible and tangible fixed assets for the purposes of determining an amortisation and a depreciation rate.
- ◆ The basis for determining recharges of staff time from a fellow subsidiary of EACTS.

Assessment of going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The company incurred a net loss of €507,530 during the year ended 31 March 2021 and, as of that date, the company's net current liabilities totalled €3,526,402. The directors have concluded that due to the support of its parent company and fellow subsidiaries, the company will have sufficient resources to meet its liabilities as they fall due and to continue in operational existence for the foreseeable future. As a result, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover derives from principal activities of the company and represents income from publications and journals. Revenue is recognised when these services are provided, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company. Where income is received in advance of this provision of services, it is held on the statement of financial position as deferred income and released in the period in which services are provided.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and excludes recoverable VAT. Expenditure comprises the direct costs associated with the delivery of the company's services as well as general administrative support costs.

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement.

Intangible fixed assets

Intangible assets costing €1,000 or more are capitalised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost less amortisation and any provision for impairment.

Amortisation is provided for at rates calculated to write off the cost of the asset, less its residual value, over the expected useful life on the following basis:

Rights to the European Journal of Cardio-Thoracic Surgery	10% straight line
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Tangible fixed assets

All assets costing more than €1,000 and with an expected useful life exceeding one year are capitalised. A review for impairment is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value and recoverable amount are recognised as impairments through the statement of income and retained earnings.

All tangible assets are depreciated at rates calculated in order to write off the cost less residual value of the asset over their useful lives:

Office equipment	- 25% reducing balance
Computer equipment	- 33% reducing balance

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

1 Turnover

	2021 €	2020 €
Editorial support	269,632	108,382
Royalties	205,484	424,870
Signing fee	200,000	—
Other	958	—
	676,074	533,252

2 Administrative expenses

	2021 €	2020 €
Staff costs recharged (note 4)	420,498	432,408
Rent	16,920	15,187
Depreciation	399	610
Amortisation	66,701	66,700
Audit and accountancy fees	6,170	1,500
Professional fees – consultancy	70,795	23,669
Foreign exchange losses	—	2,932
Sundry expenses	56	102
	581,539	543,108

3 Operating loss

	2021 €	2020 €
This is stated after charging:		
Staff costs recharged (note 4)	420,498	432,408
Depreciation (note 5)	399	610
Amortisation (note 6)	66,701	66,700
Auditor's remuneration – audit fees	2,911	1,250

4 Employees

The average number of employees, comprising only the directors, during the year was 2 (2020 – 2). In addition, there were 6 employees in the Freiburg office (2020 – 6) contracted by EACTS Publishing Limited.

Staff costs of €420,498 (2020: €432,408) were recharged from EACTS Trading Company Limited, a fellow subsidiary of the European Association for Cardio-Thoracic Surgery.

5 Intangible fixed assets

	Journal title €	Total €
Cost		
At 1 April 2020 and 31 March 2021	667,000	667,000
Amortisation		
At 1 April 2020	508,587	508,587
Charge for the year	66,701	66,701
At 31 March 2021	575,288	575,288
Carrying amount		
At 31 March 2021	91,712	91,712
At 31 March 2020	158,413	158,413

6 Tangible fixed assets

	Office equipment €	Computer equipment €	Total €
Cost			
At 1 April 2020 and 31 March 2021	1,234	8,716	9,950
Depreciation			
At 1 April 2020	1,217	7,584	8,801
Charge for the year	17	382	399
At 31 March 2021	1,234	7,966	9,200
Net book value			
At 31 March 2021	—	750	750
At 31 March 2020	17	1,132	1,149

7 Debtors

	2021 €	2020 €
Trade debtors	—	689,531
Prepayments and accrued income	—	121,256
	<u>—</u>	<u>810,787</u>

8 Creditors: amounts falling due within one year

	2021 €	2020 Restated €
Trade creditors	302,403	3,648
Accruals and other deferred income	262,122	566,696
Amount due to group undertakings	2,537,217	3,074,867
Other creditors	163,402	96,533
Social security and other taxation	261,258	155,015
	<u>3,526,402</u>	<u>3,896,759</u>

9 Taxation

The company has no tax charge for the year as there have been no taxable profits for the year (2020 – none). No provision for deferred taxation is made as no timing differences between accounting profits and profits assessable to tax have arisen.

10 Called up share capital

	Allotted, called up and fully paid	
	2021 €	2020 €
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

11 Ultimate control and related party transactions

The company is controlled by and is a wholly owned subsidiary of the European Association for Cardio-Thoracic Surgery, a registered charity, Charity Registration Number (1140274), and a company limited by guarantee incorporated in England and Wales (Company Registration Number 07401765), with its registered office at EACTS House, Madeira Walk, Windsor, Berkshire, SL4 1EU.

The financial statements do not include disclosure of transactions between the European Association for Cardio-Thoracic Surgery and EACTS Publishing Limited. As a 100% controlled subsidiary undertaking, EACTS Trading Company Limited is exempt from the requirement to disclose such transactions under section 33.1A of FRS 102.

There were no further related party transactions during the financial period (2020: none).

12 Prior year adjustment

Changes to the balance sheet:

	At 31 March 2020		
	As previously reported €	Adjustment €	As restated €
Intangible fixed assets	158,413	—	158,413
Tangible fixed assets	1,149	—	1,149
Debtors	810,787	—	810,787
Cash at bank	—	—	—
Creditors	(4,428,583)	531,824	(3,896,759)
	<u>(3,458,234)</u>	<u>531,824</u>	<u>(2,926,410)</u>
Capital and reserves:			
Share capital	1	—	1
Profit and loss account	(3,458,235)	531,824	(2,926,411)
	<u>(3,458,234)</u>	<u>531,824</u>	<u>(2,926,410)</u>

Changes to the profit and loss account:

	At 31 March 2020		
	As previously reported €	Adjustment €	As restated €
Total income	533,252	—	523,252
Total expenditure	(1,572,661)	531,824	(1,040,837)
Net movement in funds	<u>(1,039,409)</u>	<u>531,824</u>	<u>(507,585)</u>

The prior year adjustment relates to a correction of an overstatement of creditors and cost of sales.