

REGISTERED NUMBER: 3523402

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2000
FOR
CAMBRIDGE MEDICAL COMMUNICATION LIMITED



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CAMBRIDGE MEDICAL COMMUNICATION LIMITED

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for the Year 31st May 2000

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CAMBRIDGE MEDICAL COMMUNICATION LIMITED

COMPANY INFORMATION

for the Year Ended 31st May 2000

DIRECTORS:

Mr. A.J. Blake
Mr. P.E. McConkey
Dr. J.A.R. Muiry

SECRETARY:

Mr. G.A. Butler

REGISTERED OFFICE:

Times House
Fen End
Willingham
Cambridgeshire
CB4 5LH

REGISTERED NUMBER:

3523402 (England and Wales)

AUDITORS:

YOUNGMAN & CO.
Registered Auditors
Chartered Accountants
11, Lynn Road
Ely
Cambridgeshire
CB7 4EG

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

REPORT OF THE DIRECTORS

for the Year Ended 31st May 2000

The directors present their report with the financial statements of the company for the year ended 31st May 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of creative marketing and training materials to the pharmaceutical and healthcare industry.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company has successfully developed its business in line with its principal activity, resulting in a profitable year's trading.

DIVIDENDS

An interim dividend of £7.00 per share was paid on 31st May 2000. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st May 2000 will be £21,000.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the financial statements.

FUTURE DEVELOPMENTS

The directors forecast a profit for the following year.

DIRECTORS

The directors during the year under review were:

Mr. A.J. Blake

Mr. P.E. McConkey

Dr. J.A.R. Muiry

The beneficial interests of the directors holding office on 31st May 2000 in the issued share capital of the company were as follows:

	31.5.00	1.6.99
Ordinary £1 shares		
Mr. A.J. Blake	-	-
Mr. P.E. McConkey	-	-
Dr. J.A.R. Muiry	1,000	1,000

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

REPORT OF THE DIRECTORS

for the Year Ended 31st May 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, YOUNGMAN & CO., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Mr. A.J. Blake - DIRECTOR

Dated: 25th October 2000

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
CAMBRIDGE MEDICAL COMMUNICATION LIMITED**

We have audited the financial statements on pages five to ten which have been prepared under the historical cost convention and the accounting policies set out on page seven.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

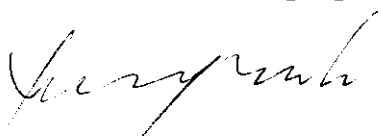
Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 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 company's affairs as at 31st May 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



YOUNGMAN & CO.
Registered Auditors
Chartered Accountants
11, Lynn Road
Ely
Cambridgeshire
CB7 4EG

Dated: 25th October 2000

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31st May 2000

		Year Ended 31.5.00	Period 6.3.98 to 31.5.99
	Notes	£	£
TURNOVER	2	284,701	95,525
Cost of sales		134,711	32,919
GROSS PROFIT		149,990	62,606
Administrative expenses		77,543	62,728
OPERATING PROFIT/(LOSS)	4	72,447	(122)
Interest receivable and similar income		710	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		73,157	(122)
Tax on profit/(loss) on ordinary activities	5	17,788	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		55,369	(122)
Dividends	6	21,000	-
		34,369	(122)
Deficit brought forward		(122)	-
RETAINED PROFIT/(DEFICIT) CARRIED FORWARD		£34,247	£(122)

CONTINUING OPERATIONS

All of the company's activities were commenced in the previous period.

TOTAL RECOGNISED GAINS AND LOSSES

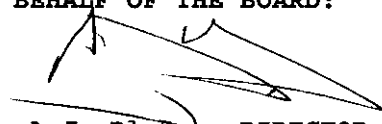
The company has no recognised gains or losses other than the profit for the current year and the loss for the previous period.

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

BALANCE SHEET
31st May 2000

		31.5.00		31.5.99	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		5,088		270
CURRENT ASSETS:					
Stocks	8	19,050		7,415	
Debtors	9	28,903		25,618	
Cash at bank		87,465		9,196	
		135,418		42,229	
CREDITORS: Amounts falling due within one year	10	103,259		39,621	
NET CURRENT ASSETS:			32,159		2,608
TOTAL ASSETS LESS CURRENT LIABILITIES:			£37,247		£2,878
CAPITAL AND RESERVES:					
Called up share capital	12		3,000		3,000
Profit and loss account			34,247		(122)
SHAREHOLDERS' FUNDS:	15		£37,247		£2,878

ON BEHALF OF THE BOARD:


Mr. A.J. Blake - DIRECTOR

Approved by the Board on 25th October 2000

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st May 2000**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer & office equipment- 15% on cost

Furniture & fixtures - 15% on reducing balance

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit (1999 - loss) before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	Year Ended 31.5.00 £	Period 6.3.98 to 31.5.99 £
Wages and salaries	61,288	42,000
Social security costs	5,939	4,214
Other pension costs	1,800	1,800
	<u>69,027</u>	<u>48,014</u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st May 2000

3. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	Year Ended 31.5.00	Period 6.3.98 to 31.5.99
Development & management	<u>5</u>	<u>4</u>

4. OPERATING PROFIT/(LOSS)

The operating profit (1999 - operating loss) is stated after charging:

	Year Ended 31.5.00 £	Period 6.3.98 to 31.5.99 £
Depreciation - owned assets	1,217	62
Auditors' remuneration	<u>1,100</u>	<u>800</u>
Directors' emoluments	<u>50,001</u>	<u>42,000</u>

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 31.5.00 £	Period 6.3.98 to 31.5.99 £
UK corporation tax	<u>17,788</u>	<u>-</u>

UK corporation tax has been charged at 25% (1999 - not applicable).

6. DIVIDENDS

	Year Ended 31.5.00 £	Period 6.3.98 to 31.5.99 £
Equity shares: Interim - ordinary	<u>21,000</u>	<u>-</u>

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st May 2000**

7. TANGIBLE FIXED ASSETS

	Computer & office equipment	Furniture & fixtur- es	Totals
	£	£	£
COST:			
At 1st June 1999	332	-	332
Additions	3,472	2,563	6,035
At 31st May 2000	3,804	2,563	6,367
DEPRECIATION:			
At 1st June 1999	62	-	62
Charge for year	885	332	1,217
At 31st May 2000	947	332	1,279
NET BOOK VALUE:			
At 31st May 2000	2,857	2,231	5,088
At 31st May 1999	270	-	270

8. STOCKS

	31.5.00	31.5.99
	£	£
Work in progress	19,050	7,415

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.5.00	31.5.99
	£	£
Trade debtors	25,876	24,867
Other debtors	2,433	-
Prepayments & accrued income	300	751
Amounts due from group undertakings	294	-
	28,903	25,618

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.5.00	31.5.99
	£	£
Trade creditors	4,742	487
Directors current accounts	7,065	3,971
Other taxes & social security	2,395	1,396
Amounts owed to group undertakings	14,331	5,634
Taxation	17,788	-
Accruals & deferred income	56,938	28,133
	103,259	39,621

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st May 2000

11. PROVISIONS FOR LIABILITIES AND CHARGES

The amount for which no provision has been made in respect of deferred taxation, is as follows:

	31.5.00	31.5.99
	£	£
Allowances over depreciation	321	11
	<u> </u>	<u> </u>

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.5.00	31.5.99
			£	£
3,000	Ordinary	£1	3,000	3,000
			<u> </u>	<u> </u>

13. ULTIMATE PARENT COMPANY

The company regards Cambridge Multimedia Group Plc., incorporated in England and Wales, number 2605390, as its immediate and ultimate parent company.

14. CAPITAL COMMITMENTS

	31.5.00	31.5.99
	£	£
Contracted but not provided for in the financial statements	-	-
	<u> </u>	<u> </u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.5.00	31.5.99
	£	£
Profit/(Loss) for the financial year	55,369	(122)
Dividends	(21,000)	-
	<u> </u>	<u> </u>
Share issue	34,369	(122)
	-	3,000
	<u> </u>	<u> </u>
Net addition to shareholders' funds	34,369	2,878
Opening shareholders' funds	2,878	-
	<u> </u>	<u> </u>
Closing shareholders' funds	37,247	2,878
	<u> </u>	<u> </u>
Equity interests	37,247	2,878
	<u> </u>	<u> </u>