

REGISTERED NUMBER:

3523402

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY 2001
FOR
CAMBRIDGE MEDICAL COMMUNICATION LIMITED



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for the Year Ended 31st May 2001

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CAMBRIDGE MEDICAL COMMUNICATION LIMITED

COMPANY INFORMATION

for the Year Ended 31st May 2001

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 2001

The directors present their report with the financial statements of the company for the year ended 31st May 2001.

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 activities resulting in a profitable year's trading.

DIVIDENDS

An interim dividend of £7 per share was paid on 22nd May 2001. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st May 2001 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 continuing profits 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 2001 in the issued share capital of the company were as follows:

	31.5.01	1.6.00
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 2001**

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:

A handwritten signature in black ink, appearing to be 'A.J. Blake', written over a horizontal line.

Mr. A.J. Blake DIRECTOR

Dated: 19th October 2001

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

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

We have audited the financial statements of Cambridge Medical Communication Limited for the year ended 31st May 2001 on pages five to ten. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the 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 transactions with the company is not disclosed.

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

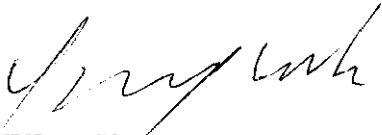
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2001 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: 19th October 2001

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

PROFIT AND LOSS ACCOUNT

for the Year Ended 31st May 2001

		31.5.01	31.5.00
	Notes	£	£
TURNOVER	2	421,589	284,701
Cost of sales		241,443	134,711
GROSS PROFIT		180,146	149,990
Administrative expenses		108,319	77,543
OPERATING PROFIT	4	71,827	72,447
Interest receivable and similar income		3,001	710
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		74,828	73,157
Tax on profit on ordinary activities	5	18,887	17,788
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		55,941	55,369
Dividends	6	21,000	21,000
		34,941	34,369
Retained profit/(deficit) brought forward		34,247	(122)
RETAINED PROFIT CARRIED FORWARD		£69,188	£34,247

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

BALANCE SHEET

31st May 2001

		31.5.01		31.5.00	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		2,939		5,088
CURRENT ASSETS:					
Stocks	8	23,258		19,050	
Debtors	9	73,344		28,903	
Cash at bank and in hand		80,967		87,465	
		177,569		135,418	
CREDITORS: Amounts falling due within one year	10	108,320		103,259	
NET CURRENT ASSETS:			69,249		32,159
TOTAL ASSETS LESS CURRENT LIABILITIES:			£72,188		£37,247
CAPITAL AND RESERVES:					
Called up share capital	12		3,000		3,000
Profit and loss account			69,188		34,247
SHAREHOLDERS' FUNDS:	15		£72,188		£37,247

ON BEHALF OF THE BOARD:



Mr. A.J. Blake - DIRECTOR

Approved by the Board on 19th October 2001

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st May 2001

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 cost

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 before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	31.5.01	31.5.00
	£	£
Wages and salaries	111,653	61,288
Social security costs	10,302	5,939
Other pension costs	1,800	1,800
	123,755	69,027

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

	31.5.01	31.5.00
Production & management	7	5

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st May 2001

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.5.01	31.5.00
	£	£
Depreciation - owned assets	4,216	1,217
Auditors' remuneration	1,100	1,100
	<u> </u>	<u> </u>
Directors' emoluments	67,000	50,001
	<u> </u>	<u> </u>

5. TAXATION

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

	31.5.01	31.5.00
	£	£
UK corporation tax	18,887	17,788
	<u> </u>	<u> </u>

UK corporation tax has been charged at 24% (2000 - 25%).

6. DIVIDENDS

	31.5.01	31.5.00
	£	£
Equity shares:		
Interim - ordinary	21,000	21,000
	<u> </u>	<u> </u>

7. TANGIBLE FIXED ASSETS

	Computer & office equipment	Furniture & fixtures	Totals
	£	£	£
COST:			
At 1st June 2000	3,804	2,563	6,367
Additions	1,895	172	2,067
	<u> </u>	<u> </u>	<u> </u>
At 31st May 2001	5,699	2,735	8,434
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:			
At 1st June 2000	947	332	1,279
Charge for year	3,805	411	4,216
	<u> </u>	<u> </u>	<u> </u>
At 31st May 2001	4,752	743	5,495
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:			
At 31st May 2001	947	1,992	2,939
	<u> </u>	<u> </u>	<u> </u>
At 31st May 2000	2,857	2,231	5,088
	<u> </u>	<u> </u>	<u> </u>

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st May 2001**

8. STOCKS

	31.5.01	31.5.00
	£	£
Work in progress	23,258	19,050
	<u> </u>	<u> </u>

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

	31.5.01	31.5.00
	£	£
Trade debtors	71,608	25,876
Other debtors	1,293	2,433
Prepayments & accrued income	443	300
Amounts due from group undertakings	-	294
	<u> </u>	<u> </u>
	73,344	28,903
	<u> </u>	<u> </u>

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

	31.5.01	31.5.00
	£	£
Trade creditors	39,454	4,742
Directors current accounts	7,000	7,065
Other taxes & social security	8,131	2,395
Amounts owed to group undertakings	14,000	14,331
Taxation	18,887	17,788
Accruals & deferred income	20,848	56,938
	<u> </u>	<u> </u>
	108,320	103,259
	<u> </u>	<u> </u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

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

	31.5.01	31.5.00
	£	£
Allowances over depreciation	166	774
	<u> </u>	<u> </u>

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.5.01	31.5.00
			£	£
3,000	Ordinary	£1	3,000	3,000
			<u> </u>	<u> </u>

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st May 2001**

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

	31.5.01	31.5.00
	£	£
Contracted but not provided for in the financial statements	-	-
	<u> </u>	<u> </u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.5.01	31.5.00
	£	£
Profit for the financial year	55,941	55,369
Dividends	(21,000)	(21,000)
Share issue		
	<u> </u>	<u> </u>
Net addition to shareholders' funds	34,941	34,369
Opening shareholders' funds	37,247	2,878
	<u> </u>	<u> </u>
Closing shareholders' funds	72,188	37,247
	<u> </u>	<u> </u>
Equity interests	72,188	37,247
	<u> </u>	<u> </u>