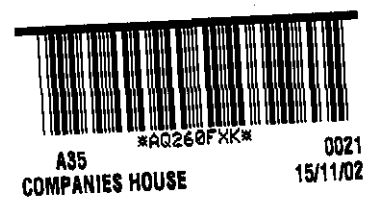


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CAMBRIDGE MEDICAL COMMUNICATION LIMITED
FINANCIAL STATEMENTS
FOR
31ST MAY 2002

Company Registration Number 3523402

MACINTYRE HUDSON
Chartered Accountants & Registered Auditors
Equipoise House
Grove Place
Bedford
MK40 3LE



CAMBRIDGE MEDICAL COMMUNICATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2002

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CAMBRIDGE MEDICAL COMMUNICATION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

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

Company secretary

Mr G A Butler

Registered office

Times house
Fen End
Willingham
Cambridge
Cambridgeshire
CB4 5LH

Auditors

MacIntyre Hudson
Chartered Accountants
& Registered Auditors
Equipoise House
Grove Place
Bedford
MK40 3LE

Bankers

Lloyds TSB Bank Plc
Castle Park
Cambridge
CB3 0AR

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MAY 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st May 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of the provision of creative marketing and training materials to pharmaceutical and healthcare clients.

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

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2002	2001
	£	£
Dividends paid on ordinary shares	<u>42,000</u>	<u>21,000</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 May 2002	At 1 June 2001
Mr A J Blake	-	-
Mr P E McConkey	-	-
Dr J A R Muiry	<u>1,000</u>	<u>1,000</u>

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MAY 2002

AUDITORS

A resolution to re-appoint MacIntyre Hudson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:

Times house

Fen End

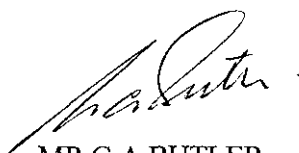
Willingham

Cambridge

Cambridgeshire

CB4 5LH

Signed by order of the directors



MR G A BUTLER
Company Secretary

Approved by the directors on 28th October 2002.

CAMBRIDGE MEDICAL COMMUNICATION LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS****YEAR ENDED 31ST MAY 2002**

We have audited the financial statements of Cambridge Medical Communication Limited for the year ended 31 May 2002 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the 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 Directors' Report 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF OPINION

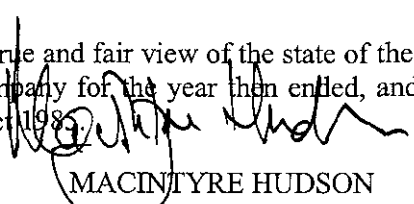
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 2002 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Equipoise House
Grove Place
Bedford
MK40 3LE



MACINTYRE HUDSON
Chartered Accountants
& Registered Auditors

31 Oct 2002

CAMBRIDGE MEDICAL COMMUNICATION LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MAY 2002**

	Note	2002 £	2001 £
TURNOVER	2	563,550	421,589
Cost of sales		(308,652)	(241,443)
GROSS PROFIT		254,898	180,146
Administrative expenses		(144,908)	(108,319)
OPERATING PROFIT	3	109,990	71,827
Interest receivable		3,356	2,982
Interest payable	6	-	19
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		113,346	74,828
Tax on profit on ordinary activities	7	(22,382)	(18,887)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		90,964	55,941
Dividends	8	(42,000)	(21,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		48,964	34,941
Balance brought forward		69,188	34,247
Balance carried forward		118,152	69,188

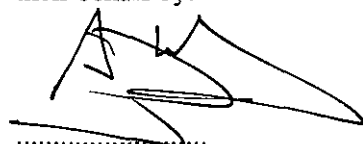
The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

CAMBRIDGE MEDICAL COMMUNICATION LIMITED**BALANCE SHEET****31ST MAY 2002**

	Note	2002	2001
		£	£
FIXED ASSETS			
Tangible assets	9	3,498	2,939
CURRENT ASSETS			
Stocks	10	58,259	23,258
Debtors	11	113,292	73,344
Cash at bank and in hand		143,590	80,967
		<u>315,141</u>	<u>177,569</u>
CREDITORS: Amounts falling due within one year	12	<u>(197,487)</u>	<u>(108,320)</u>
NET CURRENT ASSETS		<u>117,654</u>	<u>69,249</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>121,152</u>	<u>72,188</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	3,000	3,000
Profit and loss account		118,152	69,188
SHAREHOLDERS' FUNDS	15	<u>121,152</u>	<u>72,188</u>

These financial statements were approved by the directors on the 28th October 2002, and are signed on their behalf by:



.....
MR A J BLAKE

CAMBRIDGE MEDICAL COMMUNICATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MAY 2002****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow statement

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 15% Straight line
Computer & office equipment	- 50% Straight Line

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Deferred taxation

Provision is made for all material taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold and gains on disposals of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences. Material deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

CAMBRIDGE MEDICAL COMMUNICATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MAY 2002****2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2002	2001
	£	£
United Kingdom	209,487	79,855
Europe	331,588	340,115
Other overseas	22,475	1,619
	<u>563,550</u>	<u>421,589</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation	3,120	4,216
Auditors' remuneration		
- as auditors	1,500	1,100
- taxation	500	-
Operating lease costs:		
Land and buildings	6,028	5,044
Net profit on foreign currency translation	-	(10)
	<u>-</u>	<u>-</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2002	2001
	No.	No.
Number of production & management staff	<u>7</u>	<u>7</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	162,174	111,653
Social security costs	15,972	10,302
Other pension costs	1,800	1,800
	<u>179,946</u>	<u>123,755</u>

CAMBRIDGE MEDICAL COMMUNICATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MAY 2002****5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	2002 £	2001 £
Emoluments receivable	<u>100,800</u>	<u>68,800</u>

6. INTEREST PAYABLE

	2002 £	2001 £
Other similar charges payable	<u>-</u>	<u>(19)</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
Corporation tax based on the results for the year at 19/20% (2001 - 20%)	<u>22,382</u>	<u>18,887</u>

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

	2002 £	2001 £
Profit on ordinary activities before tax	<u>113,346</u>	<u>74,828</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 19.83% (2001 - 30%)	22,478	22,448
Effects of:		
Expenses not deductible for tax purposes	73	294
Capital allowances for period in (excess)/deficit of depreciation	(169)	461
Marginal relief	-	(4,316)
Current tax charge for the period	<u>22,382</u>	<u>18,887</u>

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2002

8. DIVIDENDS

The following dividends have been paid in respect of the year:

	2002 £	2001 £
Dividends paid on equity shares	<u>42,000</u>	<u>21,000</u>

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Computer & office equipment £	Total £
COST			
At 1st June 2001	2,734	5,699	8,433
Additions	<u>220</u>	<u>3,459</u>	<u>3,679</u>
At 31st May 2002	<u>2,954</u>	<u>9,158</u>	<u>12,112</u>
DEPRECIATION			
At 1st June 2001	742	4,752	5,494
Charge for the year	<u>443</u>	<u>2,677</u>	<u>3,120</u>
At 31st May 2002	<u>1,185</u>	<u>7,429</u>	<u>8,614</u>
NET BOOK VALUE			
At 31st May 2002	<u>1,769</u>	<u>1,729</u>	<u>3,498</u>
At 31st May 2001	<u>1,992</u>	<u>947</u>	<u>2,939</u>

10. STOCKS

	2002 £	2001 £
Work in progress	<u>58,259</u>	<u>23,258</u>

11. DEBTORS

	2002 £	2001 £
Trade debtors	109,630	71,608
Amounts owed by undertakings in which the company has a participating interest	1,411	-
VAT recoverable	-	1,293
Prepayments and accrued income	<u>2,251</u>	<u>443</u>
	<u>113,292</u>	<u>73,344</u>

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2002

12. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Trade creditors	21,915	39,454
Amounts owed to undertakings in which the company has a participating interest	26,638	14,000
Other creditors including taxation and social security:		
Corporation tax	22,382	18,887
PAYE and social security	14,593	8,131
VAT	2,308	-
Directors loan accounts	14,000	7,000
	<u>53,283</u>	<u>34,018</u>
Accruals and deferred income	95,651	20,848
	<u>197,487</u>	<u>108,320</u>

13. RELATED PARTY TRANSACTIONS

Cambridge Multimedia Group Plc and Cambridge Imaging Systems Limited each own one third of the shares in Cambridge Medical Communication Limited. The following transactions took place during the year to 31 May 2002.

Cambridge Medical Communication Limited made sales of £669 and £6,456 to Cambridge Multimedia Group Plc and Cambridge Imaging Systems Limited respectively. At the year end trade debtors existed of £786 and £624 from Cambridge Multimedia Group Plc and Cambridge Imaging Systems Limited respectively.

Cambridge Medical Communication Limited bought goods and services to the value of £12,755, £7,378 and £36 from Cambridge Multimedia Group Plc, Cambridge Imaging Systems Limited and Digiverse Limited respectively. At the year end trade creditors of £2,290 and £3,548 existed to Cambridge Multimedia Group Plc and Cambridge Imaging Systems Limited.

Cambridge Medical Communication Limited owed loan balances to Cambridge Multimedia Group Plc and Cambridge Imaging Systems Limited of £6,800 (2001 - £7,000) and £14,000 (2001 - £7,000) respectively, which are repayable on demand.

14. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

CAMBRIDGE MEDICAL COMMUNICATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MAY 2002

14. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	<u>3,000</u>	<u>3,000</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	90,964	55,941
Dividends	<u>(42,000)</u>	<u>(21,000)</u>
	48,964	34,941
Opening shareholders' equity funds	<u>72,188</u>	<u>37,247</u>
Closing shareholders' equity funds	<u>121,152</u>	<u>72,188</u>

16. ULTIMATE PARENT COMPANY

The company was controlled by the board of directors during the year.