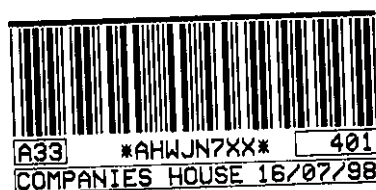


THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30 SEPTEMBER 1997



DIRECTORS

Mr H Croft BA - Resigned 7 November 1996
Dr C A Grocock MA D Phil - Appointed 1 July 1997
Dr K W Heaton MA MD FRCP
Mr M F Hellyar FCA
Prof Dame R Hurley DBE LLB MD
Sir D Innes-Williams MChir
Prof D E Poswillo CBE - Appointed 5 June 1997
Mr P E H Richardson MA - Appointed 1 July 1997
Mr P Schurr CBE FRCS
Dr M Spittle FRCR
Mr H White DM Mch FRCS

BANKERS

Bank of Scotland PLC
West End Office
St James's Gate
14-16 Cockspur Street
London SW1Y 5BL

SOLICITORS

Charles Russell
8-10 New Fetter Lane
London EC4A 1RS

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

AUDITORS

Binder Hamlyn
20 Old Bailey
London EC4M 7BH

COMPANY NUMBER: 1572720

REGISTERED IN ENGLAND

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 1997

The directors are pleased to submit their report together with the audited accounts for the year ended 30 September 1997

FINANCIAL RESULTS

The company's results show a trading profit for the year of £8,935. This profit has been paid to The Royal Society of Medicine under variable deed of covenant. The accumulated deficiency carried forward on the Profit and Loss Account is £4,384.

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 the profit or loss for that period. In preparing those financial statements, the directors have,

selected suitable accounting policies and then applied them consistently;

made judgements and estimates that are reasonable and prudent;

stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepared the financial statements on the going concern basis.

The directors are responsible for maintaining 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.

PRINCIPAL ACTIVITIES

The principal activities of the company are the publication of medically related books, the provision of publications and subscription services to learned journals and the production of health related videos.

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 1997 - continued

REVIEW OF THE BUSINESS

The trading profit for the year was £8,935 as compared to a profit of £64,062 for the previous year, with the turnover decreasing from £1,165,909 to £1,143,044.

The directors have budgeted for an increase in business and improved profit in 1998.

POST BALANCE SHEET EVENTS

The share capital of the company was increased by £199,900 to £200,000 in December 1997. The company has acquired, since the year end, five medical journals and a number of medical book titles.

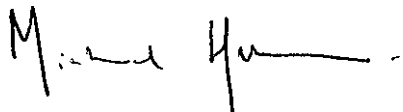
EMPLOYEES

The management and operation of the company is undertaken by staff from Royal Society of Medicine Support Services Limited which recharges the costs of these employees to the company.

DIRECTORS

None of the directors had an interest in the share capital of the company at any time during the year. The directors who served during the year are listed on page 1.

By order of the board.



M F Hellyar FCA

SECRETARY

3 February 1998

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE AUDITORS

FOR THE YEAR ENDED 30 SEPTEMBER 1997

AUDITORS REPORT

to the members of The Royal Society of Medicine Press Limited

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2, 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.

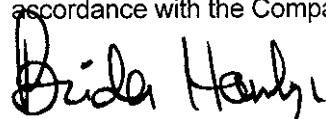
Basis of opinion

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 30 September 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Binder Hamlyn
Chartered Accountants and Registered Auditors
20 Old Bailey
London EC4M 7BH

3 February 1998

The Royal Society of Medicine Press Ltd

Profit and Loss Account for the year to 30 September 1997

	NOTE	1997	1996
		£	£
Turnover	2	1,143,044	1,165,909
Production Costs		<u>(713,027)</u>	<u>(689,665)</u>
Gross Profit		430,017	476,244
Other Income	3	<u>27,673</u>	<u>38,050</u>
		457,690	514,294
Administration Costs		(448,755)	(444,232)
Interest Paid	7	<u>0</u>	<u>(6,000)</u>
Trading Profit		8,935	64,062
Payment Under- Variable Deed of Covenant		<u>(8,935)</u>	<u>(64,062)</u>
Net Profit before Taxation	4	<u>-</u>	<u>-</u>
Tax Payable	8	<u>-</u>	<u>-</u>
Net Profit after Taxation		<u>-</u>	<u>-</u>

There are no other gains or losses other than those included in the profit and loss account above.

The Royal Society of Medicine Press Ltd

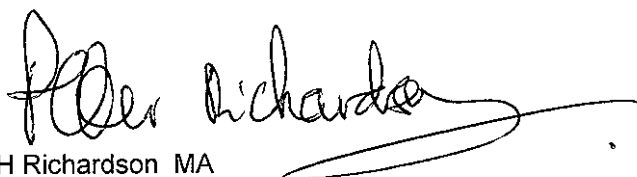
Balance Sheet
at 30 September 1997

	NOTE	1997	1996
		£	£
CURRENT ASSETS			
Stock	9	135,518	138,430
Debtors	10	<u>271,197</u>	<u>469,547</u>
		406,715	607,977
CREDITORS			
Falling due within one year	11	<u>(410,999)</u>	<u>(612,261)</u>
NET CURRENT LIABILITIES		<u>(4,284)</u>	<u>(4,284)</u>
Total Assets less Current Liabilities		<u>(4,284)</u>	<u>(4,284)</u>
CAPITAL AND RESERVES			
Called Up Share Capital	13	100	100
Profit and Loss Account		(4,384)	(4,384)
		<u>(4,284)</u>	<u>(4,284)</u>

Approved by the board on 3 February 1998



H White DM Mch FRCS



P E H Richardson MA

DIRECTORS

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS

for the year ended 30 September 1997

1. Accounting Policies

The following are the more important accounting policies adopted by the company:

a) Basis of Accounting

The accounts are prepared under the historical cost convention.

b) Stock and Work in Progress

Stock and Work in Progress are valued at the lower of cost and net realisable value.

c) Pension Costs

The company operates via the Royal Society of Medicine a defined contribution pension scheme. The pension costs shown in Note 6 represents contributions payable to the scheme.

2. Turnover

In the opinion of the directors, the company's turnover is all related to publications. An analysis of this turnover by geographical area is given below:

	1997 £	1996 £
United Kingdom	834,744	885,926
United States and Canada	163,735	131,010
Europe and other overseas markets	144,565	148,973
	<u>1,143,044</u>	<u>1,165,909</u>

3. Other Income

Interest	22,673	21,675
Rent	-	11,375
Donation	5,000	5,000
	<u>27,673</u>	<u>38,050</u>

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued for the year ended 30 September 1997

	1997 £	1996 £
4. Net profit is stated after charging		
Auditors' remuneration	<u>4,500</u>	<u>4,500</u>

5. Directors' Remuneration

None of the directors receive remuneration from the company for services as directors. Certain directors are employees of the Royal Society of Medicine Support Services Ltd and receive remuneration as employees of that company. Their remuneration is included in staff costs below.

6 Staff Costs

All employees are employed by the Royal Society of Medicine Support Services Ltd and their costs are recharged to the company. The following analysis include the recharged amounts.

	£	£
Wages and salaries	239,803	229,684
Social security costs	20,319	21,575
Pension contributions / Life cover	22,706	26,289
Other	<u>41,277</u>	<u>31,644</u>
	<u>324,105</u>	<u>309,192</u>

The average number of persons employed on the company's business each week during the year ended 30 September 1997 was 10 (1995/96 - 11).

	£	£
7. Interest paid - Loan interest	<u>-</u>	<u>6,000</u>

The interest related to charges on the loan due to the Royal Society of Medicine.

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued for the year ended 30 September 1997

	1997	1996
8. Taxation		
There is no charge to taxation on the Company's results for the period as the profit is paid to the Royal Society of Medicine under Deed of Covenant.		
9. Stock and Work in Progress	£	£
Raw materials	19,475	9,270
Work in progress	24,482	63,825
Goods for resale	91,561	65,335
	<u>135,518</u>	<u>138,430</u>
10. Debtors	£	£
Trade debtors	158,116	338,468
Other debtors	500	131,079
Prepayments & accrued income	4,700	-
Royal Society of Medicine	107,881	-
	<u>271,197</u>	<u>469,547</u>
11. CREDITORS: Amounts falling due within one year	£	£
Bank overdraft	11,672	101,544
Trade creditors	142,768	20,339
Royal Society of Medicine	-	212,615
Tax and social security	23,000	-
Other creditors	5,453	201,054
Accrued expenses/deferred income	228,106	76,709
	<u>410,999</u>	<u>612,261</u>
12. Reconciliation of movement in shareholders' funds	£	£
Opening shareholders' funds	(4,284)	(4,284)
Profit for the year	-	-
Closing shareholders' funds	<u>(4,284)</u>	<u>(4,284)</u>

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued
for the year ended 30 September 1997

13. Share Capital

	<u>Number</u>	
Authorised ordinary Shares of £1 each	<u>100 shares</u>	<u>£100</u>
Issued, allotted and fully paid	<u>100 shares</u>	<u>£100</u>

14. Ultimate Parent Undertaking

The ultimate parent undertaking is the Royal Society of Medicine, a charity established under a Royal Charter. The Company's results are consolidated in the group accounts of the Royal Society of Medicine, copies of which can be obtained from the Director of Finance, Royal Society of Medicine, 1 Wimpole Street, London. W1M 8AE.