

1572720-

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30 SEPTEMBER 1998



DIRECTORS

Dr N Davis FRCGP FFOM - Appointed 17 December 1997
Dr C A Grocock MA D Phil
Dr K W Heaton MA MD FRCP - Resigned 17 December 1997
Mr M F Hellyar FCA
Prof Dame R Hurley DBE LLB MD - Resigned 17 December 1997
Sir D Innes-Williams MChir
Mr J A P Marston DM MCh FRCS - Appointed 30 April 1998 - Resigned 1 October 1998
Prof D E Poswillo CBE DDS - Resigned 1 October 1998
Mr P E H Richardson MA
Mr P Schurr CBE FRCS - Resigned 17 December 1997
Dr M Spittle FRCR
Mr D L Summers - Appointed 21 October 1997
Dr J Tinker FRCP FRCS - Appointed 1 October 1998
Dr S M Tucker MB BCH FRCP FRCPE DCH - Appointed 1 October 1998
Mr N Weir FRCS - Appointed 17 December 1997
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

Horwath Clark Whitehill
25 New Street Square
London EC4A 3LN

COMPANY NUMBER: 1572720

REGISTERED IN ENGLAND

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 1998

The directors are pleased to submit their report together with the audited accounts for the year ended 30 September 1998

FINANCIAL RESULTS

The company's results show a trading profit for the year of £236,173. 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, journals and multimedia materials.

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 1998 - continued

REVIEW OF THE BUSINESS

The trading profit for the year was £236,173 as compared to a profit of £8,935 for the previous year, with the turnover increasing from £1,143,044 to £1,583,543. The company acquired in December 1997 five medical journals and a number of medical book titles, which contributed in part to the improved results for the year.

The directors have budgeted for a similar result in 1999.

INCREASE IN SHARE CAPITAL

The share capital of the company was increased by £199,900 to £200,000 in December 1997.

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.

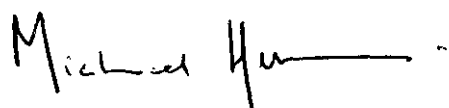
DIRECTORS

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.

YEAR 2000 COMPLIANCE

The Society has prepared, and is implementing, plans to replace or modify, where necessary, all its computer systems and other equipment; and, where necessary identify alternative suppliers and service providers to ensure that there is no significant disruption to the Society's operation. An ongoing programme is in place to monitor compliance with the plans to ensure that they are carried out in accordance with the timetable that has been set down.

By order of the board.



M F Hellyar FCA

SECRETARY

19 January 1999

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

REPORT OF THE AUDITORS

FOR THE YEAR ENDED 30 SEPTEMBER 1998

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 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill

Horwath Clark Whitehill
Chartered Accountants and Registered Auditors
25 New Street Square
London EC4A 3LN

19 January 1999

The Royal Society of Medicine Press Ltd

**Profit and Loss Account
for the year to 30 September 1998**

	NOTE	1998	1997
		£	£
Turnover		1,583,543	1,143,044
Production Costs		<u>(827,418)</u>	<u>(713,027)</u>
Gross Profit		756,125	430,017
Other Income	2	<u>22,839</u>	<u>27,673</u>
		778,964	457,690
Administration Costs		<u>(542,791)</u>	<u>(448,755)</u>
Trading Profit		<u>236,173</u>	<u>8,935</u>
Payment Under- Variable Deed of Covenant		<u>(236,173)</u>	<u>(8,935)</u>
Net Profit before Taxation	3	<u>-</u>	<u>-</u>
Tax Payable	6	<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
as at 30 September 1998

	NOTE	1998	1997
		£	£
INTANGIBLE FIXED ASSET	7	<u>171,900</u>	<u>-</u>
CURRENT ASSETS			
Bank		288	-
Stock	8	82,311	135,518
Debtors	9	<u>329,991</u>	<u>271,197</u>
		412,590	406,715
CREDITORS			
Falling due within one year	10	<u>(388,874)</u>	<u>(410,999)</u>
NET CURRENT LIABILITIES		<u>23,716</u>	<u>(4,284)</u>
Total Assets less Current Liabilities		<u>195,616</u>	<u>(4,284)</u>
CAPITAL AND RESERVES			
Called Up Share Capital	12	200,000	100
Profit and Loss Account		(4,384)	(4,384)
		<u>195,616</u>	<u>(4,284)</u>

Approved by the board on January 19, 1999

H White DM Mch FRCS

Henry White

P E H Richardson MA

DIRECTORS

Peter Richardson

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS

for the year ended 30 September 1998

1. Accounting Policies

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

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) Intangible Fixed Asset

The intangible fixed asset represents the cost of acquisition of a subscribers' database and publishing rights. This is being amortised over 10 years.

c) 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 represent contributions payable to the scheme.

2 a Turnover

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

	1998 £	1997 £
United Kingdom	1,055,470	834,744
United States and Canada	172,668	163,735
Europe and other overseas markets	355,405	144,565
	<u>1,583,543</u>	<u>1,143,044</u>

2 b Other Income

	1998 £	1997 £
Interest	22,839	22,673
Donation	-	5,000
	<u>22,839</u>	<u>27,673</u>

3. Net profit is stated after charging

	£	£
Auditors' remuneration	<u>4,500</u>	<u>4,500</u>

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued for the year ended 30 September 1998

4. 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.

5. 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 includes the recharged amounts.

	1998 £	1997 £
Wages and salaries	282,012	239,803
Social security costs	27,930	20,319
Pension contributions / Life cover	21,814	22,706
Other	26,353	41,277
	<u>358,109</u>	<u>324,105</u>

The average number of persons employed on the company's business each week during the year ended 30 September 1998 was 13 (1996/97 - 10).

6. 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.

7. Intangible Fixed Asset

	1998 £	1997 £
Cost		
Acquired during year	191,000	-
Amortisation		
Charge for year	(19,100)	-
Net Book Value as at 30 September 1998	<u>171,900</u>	<u>-</u>

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued
for the year ended 30 September 1998

	1998	1997
8. Stock and Work in Progress	£	£
Raw materials	7,647	19,475
Work in progress	20,055	24,482
Goods for resale	54,609	91,561
	<u>82,311</u>	<u>135,518</u>
9. Debtors	£	£
Trade debtors	300,091	158,116
Other debtors	500	500
Prepayments & accrued income	2,483	4,700
Royal Society of Medicine	26,917	107,881
	<u>329,991</u>	<u>271,197</u>
10. CREDITORS: Amounts falling due within one year	£	£
Bank overdraft	-	11,672
Trade creditors	181,560	142,768
Tax and social security	54,320	23,000
Other creditors	35,876	5,453
Accrued expenses/deferred income	117,118	228,106
	<u>388,874</u>	<u>410,999</u>
11. Reconciliation of movement in shareholders' funds	£	£
Opening shareholders' funds	(4,284)	(4,284)
Profit for the year	-	-
Increase in share capital	199,900	-
Closing shareholders' funds	<u>195,616</u>	<u>(4,284)</u>

THE ROYAL SOCIETY OF MEDICINE PRESS LIMITED

NOTES TO THE ACCOUNTS continued
for the year ended 30 September 1998

12.	Share Capital	1998 £	1997 £
	Authorised ordinary shares of £1 each	<u>200,000</u>	<u>100</u>
	Issued, allotted and fully paid	<u>200,000</u>	<u>100</u>

During the year 199,900 £1 ordinary shares were allocated for cash

13. 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.