

NAM PUBLICATIONS
FINANCIAL STATEMENTS
31 DECEMBER 1997

Registered number: 2707596

Charity Number: 1011220

PAUL PERLIN & CO
REGISTERED AUDITORS
London



NAM PUBLICATIONS
FINANCIAL STATEMENTS
for the year ended 31 December 1997

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The following pages do not form part of the statutory accounts

| | |
|--|------------|
| Detailed income and expenditure account | Appendix 1 |
|--|------------|

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COMPANY INFORMATION

31 December 1997

| | |
|------------------------|--|
| INCORPORATED | in England on 15 April 1992 |
| COMPANY NUMBER | 2707596 |
| CHARITY NUMBER | 1011220 |
| DIRECTORS AND TRUSTEES | Angus Hamilton Timothy Cohen Nicholas Partridge Jonathon Grimshaw Meurig Horton Peter Scott Barry Jackson Della Hirons William Babumba Jean Barclay Andrew Boddington Lyndall Stein |
| SECRETARY | Colin Nee |
| REGISTERED OFFICE | 39c Highbury Place London N5 1QP |
| BANKERS | National Westminster Bank plc 504 Brixton Road London SW9 8EW |
| SOLICITORS | Bates Wells and Braithwaite 61 Charter Street London EC1N 6HA |
| AUDITORS | Paul Perlin & Co Chartered Accountants & Registered Auditors 39C Highbury Place London N5 1QP |

NAM PUBLICATIONS**Directors' and Trustees' Report****for the year ended 31 December 1997**

The directors and trustees present their report and accounts for year ended 31 December 1997.

Objects of the charity, principal activities and organisation of our work

The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

The charity's objects and its principal activity continues to be that of the relief of sickness, hardship and distress amongst persons suffering from AIDS, HIV, and apparently related diseases and conditions. The charity also aims to advance the education of the public, including people working with those suffering from, or at risk of being affected by such diseases and conditions.

The charity is organised through the board of trustees whose meetings are attended by the company secretary, who is responsible for the day to day management of the charity. Other senior employees attend as appropriate.

There are no significant restrictions in the way the charity can operate and there have been no changes of policy since the date of the last report.

Development, activities and achievements this year

The trustees consider that the performance of the charity this year has been satisfactory, and that the charity's objectives have been achieved.

The charity embarked on a substantial marketing initiative during the year. This has resulted in an increase both in subscription income from core publications, and in awareness of the charity.

Future developments

Since the year end the charity has continued to trade satisfactorily.

The charity is actively seeking new sources of funding to maintain a high quality service in its field.

Transactions and financial position

The Statement of Financial Activities shows net income for the year of £125,030, and our reserves stand at £147,677 in total.

The financial position at the year end is healthy and reserves are sufficient to enable the charity to continue with its activities.

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Directors' and Trustees' Report (cont.)

for the year ended 31 December 1997

Funds available and reserves policy

The present level of funds available is adequate to discharge existing liabilities, and fulfil the obligations of the charity.

The trustees policy is to build unrestricted reserves equal to three months running costs over a four year period. Once this level of reserves has been built, the policy is to maintain reserves at the level of three to six months running costs thereafter.

Directors, trustees, and management committee

All directors of the company are also trustees of the charity, and there are no other trustees. The trustees throughout the year were as follows

| | |
|--------------------|--|
| Angus Hamilton | (Resigned and re-elected on 16 April 1997) |
| Timothy Cohen | |
| Nicholas Partridge | |
| Jonathon Grimshaw | |
| Meurig Horton | |
| Peter Scott | |
| Barry Jackson | |
| William Babumba | (Appointed 18 June 1997) |
| Jean Barclay | (Appointed 18 June 1997) |
| Andrew Boddington | (Appointed 18 June 1997) |
| Della Hirons | (Appointed 18 June 1997) |
| Lyndall Stein | (Appointed 18 June 1997) |
| Jane McKessack | (Resigned 1 February 1997) |
| Jonathon Cooper | (Resigned 13 February 1997) |
| Simon Watney | (Resigned 21 April 1997) |
| Robin Gorna | (Resigned 28 April 1997) |

The trustees have the authority to appoint additional trustees as they consider necessary, subject to a maximum of thirty trustees. The trustee body is also the committee of management.

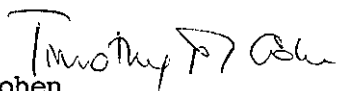
Small company exemptions

These financial statements are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approval

This report was approved on behalf of the board of directors and trustees on 23 April 1998 and signed by :

Timothy Cohen
Treasurer



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STATEMENT OF TRUSTEES' RESPONSIBILITIES


Law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and 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 charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

23 April 1998

On behalf of the board


Timothy Cohen
Treasurer

NAM PUBLICATIONS**AUDITORS' REPORT**

Auditors' report to the members of

NAM Publications

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of trustees and auditors

As described on page 3, the charity's trustees who are also the directors of NAM Publications for the purposes of company law 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 error or other irregularity. 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 charitable company's affairs as at 31 December 1997 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



London
30 April 1998

Paul Perlin & Co
Registered Auditors
Chartered Accountants

NAM PUBLICATIONS

STATEMENT OF FINANCIAL ACTIVITIES AND
INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 1997

| | | Restricted Funds | Unrestricted Funds | Total | |
|--------------------------------------|------|---------------------|-----------------------|----------------|----------------|
| | Note | 1997 £ | 1997 £ | 1997 £ | 1996 £ |
| Incoming Resources | 2 | | | | |
| Subscriptions from publications | | - | 300,100 | 300,100 | 243,275 |
| Grants and donations | | 120,262 | 258,085 | 378,347 | 255,140 |
| Bank interest | | - | 856 | 856 | - |
| | | <u>120,262</u> | <u>559,041</u> | <u>679,303</u> | <u>498,415</u> |
| Resources Expended | | | | | |
| Direct Charitable Expenditure | | | | | |
| Production Costs | 4 | 54,252 | 88,446 | 142,698 | 157,122 |
| Provision of Services | 4 | 53,262 | 288,470 | 341,732 | 208,568 |
| Support Costs | 4 | 96 | 46,209 | 46,305 | 101,672 |
| | | <u>107,610</u> | <u>423,125</u> | <u>530,735</u> | <u>467,362</u> |
| Other Expenditure | | | | | |
| Management and Administration | 4 | 32 | 23,506 | 23,538 | 33,891 |
| | | <u>107,642</u> | <u>446,631</u> | <u>554,273</u> | <u>501,253</u> |
| Total Resources Expended | | | | | |
| | | <u>107,642</u> | <u>446,631</u> | <u>554,273</u> | <u>501,253</u> |
| Net Incoming Resources | | 12,620 | 112,410 | 125,030 | (2,838) |
| Funds at 1 January 1997 | 13 | 13,238 | 9,409 | 22,647 | 25,485 |
| Funds at 31 December 1997 | 13 | <u>25,858</u> | <u>121,819</u> | <u>147,677</u> | <u>22,647</u> |

None of the charitable company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the surplus for the year.

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BALANCE SHEET

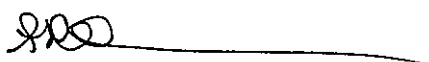
at 31 December 1997

| | Note | £ | 1997 £ | £ | 1996 £ |
|--|------|---------|----------------|----------|-----------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 40,703 | | 37,843 |
| Current assets | | | | | |
| Stocks | 8 | 20,363 | | 17,431 | |
| Debtors | 9 | 54,752 | | 43,962 | |
| Cash at bank and in hand | | 37,209 | | 8,380 | |
| | | | 112,324 | | 69,773 |
| Creditors: amounts falling due within one year | 10 | (5,350) | | (84,969) | |
| Net current assets/(liabilities) | | | 106,974 | | (15,196) |
| Total assets less current liabilities | | | 147,677 | | 22,647 |
| Reserves | | | | | |
| Restricted funds | 11 | | 25,858 | | 13,238 |
| Unrestricted funds: | | | | | |
| Designated funds | 12 | | 11,430 | | - |
| Other charitable funds | | | 110,389 | | 9,409 |
| Total funds | 13 | | 147,677 | | 22,647 |


These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 13 were approved on behalf of the board of trustees on 23 April 1998 and signed by:

Angus Hamilton
Chairman



Timothy Cohen
Treasurer



NAM PUBLICATIONS

NOTES ON FINANCIAL STATEMENTS

31 December 1997

1 Accounting policies**Basis of preparation of accounts**

The accounts are prepared under the historical cost convention and include the results of the charity's operations which are described in the Directors' and Trustees' Report and all of which are continuing.

The accounts have been prepared in compliance with Statement of Recommended Practice on Charity Accounts.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement.

Company status

The company does not have a share capital and is limited by the guarantee of its members to a maximum of £1.

The company being able to satisfy the requirements of Section 30(3) of the Companies Act 1985 and having made a statutory declaration to this effect, is exempt from having to use the word 'Limited' as part of its name.

Tangible fixed assets and depreciation

Expenditure on office equipment of less than £100 is charged to expenditure in the year in which it is incurred.

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

| | |
|------------------------------|---------------|
| Leasehold land and buildings | - 10% on cost |
| Plant and equipment | - 15% on cost |
| Office equipment | - 15% on cost |

Designated funds

Expenditure set aside for specific projects is transferred to a separate designated reserve.

Income

Subscriptions from publications are accounted for as received by the charity. The period of subscription may be up to one year in advance.

Grants receivable are recognised when the monies are due, whether received or not.

Allocation of Expenditure

The charity's head office houses all aspects of the charity's activities. For accounting purposes expenditure is allocated as follows:

Charitable expenditure

All direct expenditure incurred in performance of charitable activities including production costs, advertising and promotion, and training. A further 80% of other mixed costs (including salaries) are apportioned to direct charitable expenditure.

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NOTES ON FINANCIAL STATEMENTS

31 December 1997

1 Accounting policies continued

Support Costs

15% of mixed costs are apportioned to support costs.

Management and administration expenses

5% of mixed costs are apportioned to management and administration expenses. Various other administrative expenses e.g. audit fee and bank charges are also included.

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2 Income

In the opinion of the trustees, 4.8% of the income of the charity is attributable to geographical markets outside the UK. (1996 nil)

Grants and donations were received from the following sources

| | 1997 £ | 1996 £ |
|--------------------------|-----------|-----------|
| Pharmaceutical companies | 135,248 | 102,569 |
| Department of Health | 47,000 | - |
| Local authorities | 90,746 | 68,757 |
| European Commission | 27,916 | 45,649 |
| Other | 77,437 | 38,165 |
| | <hr/> | <hr/> |
| Total | 378,347 | 255,140 |

Trading income represents fees and subscriptions receivable from the supply of publications relating to HIV and AIDS. This trade is permitted by the Charity's objects.

NAM PUBLICATIONS

NOTES ON FINANCIAL STATEMENTS

31 December 1997

3 Operating surplus

| | 1997 £ | 1996 £ |
|---|-------------------|-------------------|
| Operating surplus is stated after charging | | |
| Auditors' remuneration | 3,150 | 3,275 |
| Operating leases | | |
| Hire of plant and equipment | 4,500 | 4,088 |
| Hire of assets other than plant | 2,783 | 3,354 |
| Loss on sale of assets | 2,437 | - |
| | <u> </u> | <u> </u> |
| Depreciation of tangible fixed assets (note 7) | | |
| owned assets | 8,068 | 6,558 |
| | <u> </u> | <u> </u> |

4 Analysis of total resources expended

| | 1997 | | | |
|--------------------------|---------------------------|---------------|----------------------------|----------------|
| | Direct Charitable £ | Support £ | Management & Admin £ | Total £ |
| Production | 142,698 | - | - | 142,698 |
| Marketing and promotion | 51,633 | - | - | 51,633 |
| Wages and salaries | 193,391 | 35,265 | 11,755 | 240,411 |
| Other personnel costs | 11,257 | - | - | 11,257 |
| Conferences and training | 11,632 | - | - | 11,632 |
| Premises | 12,544 | 2,352 | 784 | 15,680 |
| Office costs | 37,926 | 7,112 | 2,370 | 47,408 |
| Miscellaneous | 16,896 | 366 | 8,225 | 25,487 |
| Depreciation | 6,453 | 1,210 | 404 | 8,067 |
| | <u>484,430</u> | <u>46,305</u> | <u>23,538</u> | <u>554,273</u> |

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NOTES ON FINANCIAL STATEMENTS

31 December 1997

5 Trustees and employees

| | 1997 £ | 1996 |
|--|----------------|----------------|
| Staff costs including trustees' emoluments | | |
| Wages and salaries | 211,805 | 183,719 |
| Social security costs | 20,717 | 17,659 |
| Pension costs | 7,889 | - |
| | <u>240,411</u> | <u>201,378</u> |
| Average monthly number employed including executive trustees: | Number | |
| Office and administration | 4 | 3 |
| Production staff | 8 | 7 |
| | <u>12</u> | <u>10</u> |

None of the trustees received any remuneration during the year. Expenses of £732 were reimbursed in aggregate to seven trustees for attendance at meetings.

6 Interest payable

| | 1997 £ | 1996 £ |
|------------------|------------|-----------|
| Interest payable | <u>269</u> | <u>-</u> |

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NOTES ON FINANCIAL STATEMENTS

31 December 1997

7 Tangible fixed assets

| Cost | Land and Buildings £ | Plant and Machinery etc £ | Total £ |
|------------------|-------------------------------|------------------------------------|---------------|
| 1 January 1997 | 10,298 | 36,855 | 47,153 |
| Additions | - | 13,367 | 13,367 |
| Disposals | - | (3,000) | (3,000) |
| 31 December 1997 | <u>10,298</u> | <u>47,222</u> | <u>57,520</u> |
| Depreciation | | | |
| 1 January 1997 | 1,030 | 8,282 | 9,312 |
| Charge for year | <u>1,030</u> | <u>7,038</u> | <u>8,068</u> |
| 31 December 1997 | <u>2,060</u> | <u>15,320</u> | <u>17,380</u> |
| Net book amount | | | |
| 31 December 1997 | <u>8,238</u> | <u>32,465</u> | <u>40,703</u> |
| 1 January 1997 | <u>9,269</u> | <u>28,574</u> | <u>37,843</u> |

Tangible fixed assets comprise premises, computers and other office equipment. These items are used for charitable activities and administrative purposes, therefore it is not appropriate to quantify charitable assets separately.

8 Stocks

| | 1997 £ | 1996 £ |
|--------|---------------|---------------|
| Stocks | <u>20,363</u> | <u>17,431</u> |

9 Debtors

| | 1997 £ | 1996 £ |
|-------------------------------------|---------------|---------------|
| Amounts falling due within one year | | |
| Trade debtors | 44,917 | 29,726 |
| Other debtors | 6,899 | 5,366 |
| Prepayments | 736 | 8,870 |
| Accrued income | <u>2,200</u> | <u>-</u> |
| | <u>54,752</u> | <u>43,962</u> |

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NOTES ON FINANCIAL STATEMENTS

31 December 1997

10 Creditors: amounts falling due within one year

| | 1997 £ | 1996 £ |
|------------------------------------|--------------|---------------|
| Trade creditors | 1,776 | 55,561 |
| Other taxation and social security | - | 16,417 |
| Accruals | 3,574 | 12,991 |
| | <u>5,350</u> | <u>84,969</u> |

11 Restricted funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

| | Balance 1 January 1996 £ | Movements in Funds: Incoming Resources Expenditure & Transfers | | Balance 31 December 1997 £ |
|-------------------------------|-----------------------------------|--|---------------------------------|-------------------------------------|
| | | Incoming Resources £ | Expenditure & Transfers £ | |
| European Directory | 13,238 | 32,653 | (35,653) | 10,238 |
| IT development | - | 52,609 | (36,989) | 15,620 |
| Treatment education | - | 30,000 | (30,000) | - |
| ATU (free BHIVA distribution) | - | 5,000 | (5,000) | - |
| | <u>13,238</u> | <u>120,262</u> | <u>(107,642)</u> | <u>25,858</u> |

The IT Development fund includes £3,620 of tangible fixed assets. The balance of these funds is represented by cash at bank.

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NOTES ON FINANCIAL STATEMENTS

31 December 1997

12 Designated funds

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Balance 1 January 1996 £ | New Designations £ | Utilised/ Released £ | Balance 31 December 1997 £ |
|---|-----------------------------------|--------------------------|----------------------------|-------------------------------------|
| African leaflets (printing) | - | 3,680 | - | 3,680 |
| Treatment education (stand alone leaflets) | - | 7,750 | | 7,750 |
| | - | 11,430 | - | 11,430 |

13 Analysis of net assets between funds

| | Res- tricted | Unres- tricted | 1997 £ Total |
|--------------------|-----------------|-------------------|--------------------|
| Fixed assets | 3,620 | 37,083 | 40,703 |
| Net current assets | 22,238 | 84,736 | 106,974 |
| Net assets | 25,858 | 121,819 | 147,677 |

14 Guarantees and other financial commitments

The company had the following annual anticipated commitments under operating leases as at 31 December 1997:

| | 1997 Land and Buildings £ | 1997 Other £ | 1997 Total £ |
|--------------------------|------------------------------------|--------------------|--------------------|
| Expiring | | | |
| Within two to five years | - | 2,495 | 2,495 |
| After five years | 15,000 | - | 15,000 |
| | 15,000 | 2,495 | 17,495 |

NAM PUBLICATIONS

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 1997

| | 1997 | | 1996 | |
|---|---------|-----------------------|---------|-----------------------|
| | £ | £ | £ | £ |
| Turnover | | | | |
| Subscriptions from publications | | 300,100 | | 243,275 |
| Cost of sales | | | | |
| Packaging | 1,613 | | 3,801 | |
| Printing | 70,959 | | 95,127 | |
| Mailing | 59,264 | | 46,016 | |
| Design | 2,484 | | 6,192 | |
| Subcontractors | 7,159 | | 5,986 | |
| Other direct costs | 1,219 | | - | |
| | | <u>142,698</u> | | <u>157,122</u> |
| Gross surplus | | 157,402 | | 86,153 |
| Other operating income | | | | |
| Grants and donations | 378,347 | | 255,140 | |
| Bank interest | 856 | | - | |
| | | <u>379,203</u> | | <u>255,140</u> |
| | | 536,605 | | 341,293 |
| Administration | 318,884 | | 289,258 | |
| Publicity | 51,444 | | 18,156 | |
| Establishment | 18,071 | | 21,721 | |
| Financial | 12,671 | | 8,438 | |
| Depreciation | 10,505 | | 6,558 | |
| | | <u>411,575</u> | | <u>344,131</u> |
| Net surplus/(deficit) for the year | | <u><u>125,030</u></u> | | <u><u>(2,838)</u></u> |

NAM PUBLICATIONS

SCHEDULE TO THE INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 1997

| | 1997 £ | 1996 £ |
|-----------------------------------|----------------|----------------|
| Administration | | |
| Salaries and wages | 211,805 | 183,719 |
| Recruitment | 7,046 | 4,270 |
| Social security costs | 20,717 | 17,659 |
| Consultancy fees | - | 8,511 |
| Pension scheme contributions | 7,889 | - |
| Computer supplies and maintenance | 4,630 | 3,632 |
| Travel and subsistence | 5,774 | 7,604 |
| Telephone charges | 6,835 | 6,871 |
| Telephone leasing | 2,680 | 2,368 |
| Building Bridges conference | 1,786 | 15,907 |
| Couriers | 2,693 | 2,370 |
| Printing, postage and stationery | 21,818 | 22,336 |
| Training and conferences | 14,100 | 6,540 |
| Books and journals | 496 | 373 |
| Room hire | 2,783 | 3,354 |
| Trustee expenses | 732 | 563 |
| Canteen | 718 | 705 |
| Subscriptions | 949 | - |
| Cleaning | 2,025 | - |
| Sundry expenses | 3,408 | 2,476 |
| | <u>318,884</u> | <u>289,258</u> |
| Publicity | | |
| Advertising and promotion | 51,444 | 16,807 |
| Entertaining | - | 1,349 |
| | <u>51,444</u> | <u>18,156</u> |
| Establishment | | |
| Light and heat | 549 | 2,328 |
| Repairs and maintenance | 1,253 | 840 |
| Insurance | 1,269 | 1,796 |
| Rent and rates | 15,000 | 16,757 |
| | <u>18,071</u> | <u>21,721</u> |
| Financial | | |
| Bank charges | 834 | 1,161 |
| Other interest | 269 | - |
| Bad debts | 4,515 | 2,308 |
| Legal and professional fees | 3,903 | 1,694 |
| Auditors' remuneration | 3,150 | 3,275 |
| | <u>12,671</u> | <u>8,438</u> |

continued

NAM PUBLICATIONS

SCHEDULE TO THE INCOME AND EXPENDITURE ACCOUNT
(continued)

for the year ended 31 December 1997

| | 1997 £ | 1996 £ |
|-------------------------------------|---------------|--------------|
| Depreciation | | |
| Depreciation leasehold improvements | 1,030 | 1,030 |
| Depreciation plant and equipment | 4,588 | 4,004 |
| Depreciation fixtures and fittings | 2,450 | 1,524 |
| (Profit)/loss on sale of fixtures | 2,437 | - |
| | <u>10,505</u> | <u>6,558</u> |