

SCOTTISH MEDICINE LIMITED
UNAUDITED ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003



Ritson Smith
Chartered Accountants
16 Carden Place
Aberdeen
AB10 1FX

SCOTTISH MEDICINE LIMITED

**CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003**

	Page
Company Information	1
Abbreviated Balance Sheet	2
Notes to the Abbreviated Accounts	4

SCOTTISH MEDICINE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2003**

DIRECTOR: K Milne

SECRETARY: Stronachs

REGISTERED OFFICE: 34 Albyn Place
Aberdeen
AB10 1FW

REGISTERED NUMBER: 190038 (Scotland)

ACCOUNTANTS: Ritson Smith
Chartered Accountants
16 Carden Place
Aberdeen
AB10 1FX

BANKERS: The Bank of Scotland
PO Box 5
The Mound
Edinburgh
EH1 1YZ

SCOTTISH MEDICINE LIMITED

ABBREVIATED BALANCE SHEET
31 OCTOBER 2003

		2003	2002
	Notes	£	£
FIXED ASSETS			
Tangible assets	2	-	93,399
Investments	3	4,171	10,002
		<u>4,171</u>	<u>103,401</u>
CURRENT ASSETS			
Stocks		-	3,579
Debtors		-	371,886
Cash at bank and in hand		1,314,126	2,317,815
		<u>1,314,126</u>	<u>2,693,280</u>
CREDITORS			
Amounts falling due within one year		6,492	107,514
		<u>6,492</u>	<u>107,514</u>
NET CURRENT ASSETS		<u>1,307,634</u>	<u>2,585,766</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,311,805</u></u>	<u><u>2,689,167</u></u>
CAPITAL AND RESERVES			
Called up share capital	4	557,250	557,250
Share premium		4,587,750	4,587,750
Profit and loss account		(3,833,195)	(2,455,833)
		<u>1,311,805</u>	<u>2,689,167</u>
SHAREHOLDERS' FUNDS		<u><u>1,311,805</u></u>	<u><u>2,689,167</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 October 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

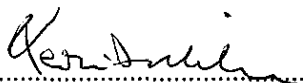
The notes form part of these abbreviated accounts

SCOTTISH MEDICINE LIMITED

ABBREVIATED BALANCE SHEET - continued
31 OCTOBER 2003

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


.....

K Milne - Director

Approved by the Board on 17 January 2005

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, 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.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 15% on cost
Medical training equipment	- 10% on cost
Computer equipment	- 33 1/3% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Group accounts

The company has not prepared group accounts as it is exempt under S248 of the Companies Act 1985.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2003

2. TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 November 2002	160,410
Additions	3,337
Disposals	(163,747)
	<u> </u>
At 31 October 2003	<u> </u> -
DEPRECIATION	
At 1 November 2002	67,009
Charge for year	33,642
Eliminated on disposal	(100,651)
	<u> </u>
At 31 October 2003	<u> </u> -
NET BOOK VALUE	
At 31 October 2003	<u> </u> -
	<u> </u>
At 31 October 2002	<u> </u> 93,401

3. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Own shares £	Totals £
COST			
At 1 November 2002	2	10,000	10,002
Disposals	(1)	-	(1)
Impairments	-	(5,830)	(5,830)
	<u> </u>	<u> </u>	<u> </u>
At 31 October 2003	<u> </u> 1	<u> </u> 4,170	<u> </u> 4,171
NET BOOK VALUE			
At 31 October 2003	<u> </u> 1	<u> </u> 4,170	<u> </u> 4,171
	<u> </u>	<u> </u>	<u> </u>
At 31 October 2002	<u> </u> 2	<u> </u> 10,000	<u> </u> 10,002

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2003

3. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

theFirstCall Limited

Nature of business: Distribution of Expert Medical Advice

	%
Class of shares:	holding
Ordinary	100.00

The investment in theFirstCall Limited was disposed of during the year.

Expert Medical Opinions Limited

Nature of business: Expert Medical Referrals and Reporting Services

	%
Class of shares:	holding
Ordinary	100.00

	2003	2002
	£	£
Aggregate capital and reserves	1	7,006
(Loss)/Profit for the year	<u>(7,005)</u>	<u>7,005</u>

Firstcall (Scotland) Limited

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

	2003	2002
	£	£
Aggregate capital and reserves	<u>1</u>	<u>1</u>

International Telemedicine Limited

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

	2003	2002
	£	£
Aggregate capital and reserves	<u>1</u>	<u>1</u>

Investment in own shares

The own shares, being 30,000 shares with a nominal value of 10p each are held by The Scottish Medicine Employees Share Ownership Trust.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2003

4. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2003 £	2002 £
5,000,000	Ordinary	£0.10	500,000	500,000
5,000,000	A Ordinary	£0.10	500,000	500,000
			<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2003 £	2002 £
1,822,500	Ordinary	£0.10	182,250	182,250
3,750,000	A Ordinary	£0.10	375,000	375,000
			<u>557,250</u>	<u>557,250</u>

Dividends

Subject to the provisions of the Companies Act 1985, the profits available for distribution will be used to pay first to the holders of the A ordinary shares and the ordinary shares as if they were one class of share in respect of each financial year ending on or after 31 October 2003 a cumulative participating dividend of a sum equal to 33.33% of Net Profit ("the Participating Dividend").

Return of capital

If the Company should be wound up, the assets remaining after payment of all liabilities (including the costs of liquidation) will be applied first in paying, to the holders of the A ordinary shares, the subscription price per share together with a sum equal to any arrears or accruals of the dividends on the A ordinary shares; second, in paying to the holders of the ordinary shares, the subscription price per share; and the balance of any assets will be distributed amongst the holders of the A ordinary shares and the ordinary shares (pari passu as if the same consisted one class of share) in proportion to the amounts paid up or credited as paid up on the shares.

Conversion of A ordinary shares

The A ordinary shareholders may, at any time, convert the whole of their A ordinary shares into a like number of ordinary shares by giving the Company notice in writing signed by 60% of the A ordinary shareholders. On the date of conversion, Scottish Medicine must pay a dividend to the A ordinary shareholders of a sum equal to all arrears and accruals of the Participating Dividend calculated down to the date of conversion.