

THE EUROPEAN BOARD FOR ACCREDITATION IN CARDIOLOGY

The European Board for Accreditation in Cardiology (EBAC) was established in June 2000, as a joint initiative between the ESC and UEMS Cardiology Section. The mission of EBAC is accreditation of international Continuing Medical Education (CME) activities in cardiology in Europe. The creation of EBAC was a response to the urgent demand of the European medical community at a time when accreditation of international programmes became necessary.

The Board consists of representatives of the two parent organisations, and operates as a fully independent entity. EBAC works in association with the European Accreditation Council for CME (EACCME), and actively participates in the harmonisation at the European level of CME systems in cardiology between different European countries. The office of EBAC is based at the European Heart House.

EBAC has concentrated its initial efforts on the definition of the accreditation procedure, as well as operating policies and guidelines. A website and a special on-line system for accreditation services have been developed. In the future a part of the website will be devoted to helpful information on European CME and Continuing Professional Development in cardiology.

After the launch of EBAC during the ESC 2001 Congress in Stockholm, EBAC will be ready to receive applications for accreditation of national or international CME events. CME materials will be introduced into the accreditation process during 2002.



As a European institution specialising in various aspects of cardiology, one of the needs of the ESC is to understand differences in the prevalence of cardiovascular diseases throughout the member countries, as well as differences in the availability and use of cardiovascular diagnostic and therapeutic procedures.

In order to address these differences, the Euro Heart Survey (EHS), within the ESC, assesses:

- Clinical practice in relation to existing guidelines in cardiology,
- Applicability of results of major clinical trials,
- Outcome of different strategies for patient management.

This is performed via surveys on specific cardiovascular diseases. Each survey is conducted under the guidance of a committee composed of eminent professionals in the subject under study.

From the information provided by the surveys the ESC develops guidelines as well as educational programmes and products. The data collected also determines if guidelines are followed. This may lead to further improvement of guidelines and/or improvement of educational programmes. Moreover, the information collected is of interest to many European audiences, including the medical community, hospital management, pharmaceutical and device industries, health care providers and governments. The data collected are of broad interest to many European audiences, including the medical community, hospital management, pharmaceutical and device industries, health care providers and governments.

In 2000 and 2001, three surveys were completed: EuroAspire II (secondary prevention), the survey on Heart Failure and the survey on Acute Coronary Syndromes.

EuroAspire II which stands for 'EUROpean Action on Secondary and Primary Prevention by Intervention to Reduce Events' was a multi-centre European survey with the objective of determining risk factor management on 7,707 coronary patients in 15 countries and 48 centres. EuroAspire II was published in April 2001 in the European Heart Journal and The Lancet. The Euro Heart Failure is a survey of quality of hospital care in more than 11,000 patients with suspected or confirmed heart failure, in 150 hospitals in 26 countries. The EHS on Acute Coronary Syndromes enrolled 10,500 patients in 26 countries. The survey on Valvular Heart Disease data collection is ongoing in 100 centres and will be presented in 2002.

The next surveys, scheduled for 2001/2002 will address: Coronary Revascularisation, Chronic Angina, Diabetes and Cardiovascular Disease.

Cardiovascular Round Table

An important joint initiative between the ESC and some major global cardiovascular companies was launched during 2001 with the creation of the European Cardiovascular Round Table (CRT).

The CRT serves as a joint forum for medical professionals, pharmaceutical, medical device and medical equipment companies to address key strategic issues facing cardiovascular research, development, treatment, communication, awareness etc in the future. It acknowledges the differences in health management structures and systems between continents, regions and countries and is aware that global tendencies need to take local differences into account in order to develop the best strategies to answer the needs of public health.

The CRT has created task forces to address four priority axes, considered to be of crucial importance in the future of cardiovascular strategy:

- Regulatory Aspects and design concepts in Clinical Trials
- Patient Access to Medical Technologies across Europe
- Public Education & Information
- Risk Factor Management & Related Diseases (diabetes, hypertension etc...)

The corporate members of the Cardiovascular Round Table are:

AstraZeneca	Medtronic
Aventis Pharma	Merck
Bayer AG	Novartis
Boehringer Ingelheim GmbH	Pfizer
Boston Scientific	Pharmacia
Bristol-Myers Squibb	Philips Medical Systems
Eli Lilly	Schering-Plough
Glaxo SmithKline	Servier International
Guidant Europe	



Internal Organisation

Membership Members of the European Society of Cardiology are members of ESC National Societies (in 47 countries) and members of the ESC Working Groups, a total of over 33,000 ESC members.

In 2001, there are 1,535 Fellows (FESC) and 19 Nurse Fellows (NFESC).

Corporate Governance A Board Committee, inaugurated in 2000, was asked to look at issues related to Corporate Governance within the ESC, that is to say to consider:

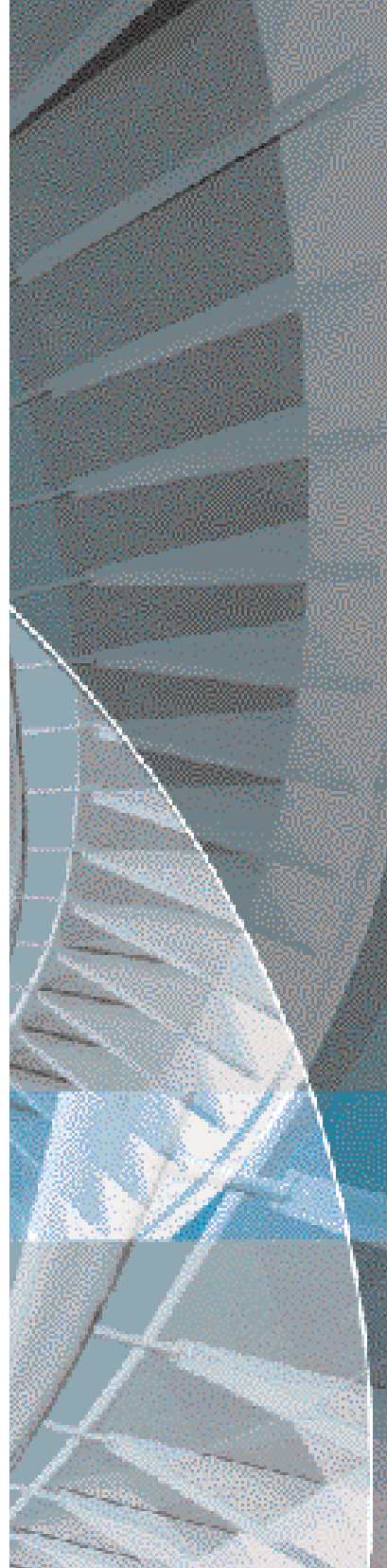
“... structures, roles, including authority and responsibilities, as well as the processes that support the decision-making in the ESC”.

A major reason for this step was the recognition that the business of the ESC has considerably increased in size and complexity. With a growing number of activities and increasing economy, personnel and assets it had to be accepted that many issues previously managed by the Board should be transferred to dedicated Committees and the staff of the ESC. On the other hand, the Board should allocate more time for strategic decisions leading the ESC into the future.

Key recommendations of the Committee have been accepted by the Board as follows:

- To create an Audit Committee to replace the Consultative and Oversight Committee with defined responsibilities.
- To adopt an improved organisation structure to emphasise the differences which underlie the roles of key parties of the Society:
 - The Board, which determines the strategic direction of the ESC, sets priorities, protects and expands members' assets and allocates financial resources to ESC activities.
 - Working Groups and Committees which determine the scientific and medical direction to be pursued in their areas of interest.
 - The Chief Executive Officer (CEO) and ESC staff, who run the Society on a day-to-day basis, implementing the operating plans of the Board, Working Groups and Committees, reporting regularly to the Board.
- To bring greater financial management and transparency to Working Group activities by having all financial, contractual or fundraising activities approved by the CEO.
- To have written Job Descriptions and defined authority levels for members of the ESC leadership.
- To develop a Declaration of Interest procedure to be followed by a number of ESC leaders.
- To review Board effectiveness criteria and the guidance for selection of Officers.

The necessary changes in the Statutes are to be proposed to the General Assembly in Stockholm 2001.



Treasurer and
Auditors'
Report

Treasurer and Auditors' Report

The various activities of the European Society of Cardiology are shared between several companies in the Group, of which the principal ones are: the European Society of Cardiology (ESC) and the European Heart House (EHH).

The European Congress Organization (ECOR) was merged into the ESC after the vote of the Extraordinary General Assembly held in Amsterdam last year. However, a new company, ECOR 2000, was created for a short duration for legal reasons during this fiscal year but will shortly be wound up.

The two original Swiss companies (ESC and ECCO) also form part of the Group together with the ESC Foundation of America. These are non-trading and effectively dormant.

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ESC GROUP STATEMENTS OF INCOME AND EXPENDITURE - EUROS

Five-year
financial overview

	12 months	12 months	12 months	12 months	12 months
	31/03/2001	31/03/2000	31/03/1999	31/03/1998	31/03/1997
Total Operating Income	22 581 490	17 253 624	15 816 142	13 469 889	10 679 083
Total Operating Expenses	22 424 304	16 951 549	13 301 601	10 764 002	10 440 955
OPERATING PROFIT	157 186	302 074	2 514 542	2 705 887	238 128
Total Financial Income	412 533	285 692	263 913	455 793	320 176
Total Financial Expenses	304 846	151 840	287 873	505 088	743 441
Financial Result	107 687	133 851	-23 960	-49 296	-423 265
NET SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	264 874	435 926	2 490 581	2 656 592	- 185 137
Extraordinary Items	- 715 525	96 344	523 872	1 214 390	- 520 962
NET SURPLUS BEFORE TAXATION	- 450 651	532 269	3 014 453	3 870 982	- 706 098
Income Tax	4 558	67 974	594 622	1 639 444	- 285 718
RESULT FOR THE PERIOD	- 455 209	464 295	2 419 831	2 231 538	- 420 381

ESC GROUP BALANCE SHEET - EUROS

	31/03/2001	31/03/2000	31/03/1999	31/03/1998	31/03/1997
Intangible Assets	200 037	854 213	325 102	164 109	183 581
Tangible Assets & Investments	9 568 416	9 665 116	9 231 771	9 371 586	9 367 080
TOTAL FIXED ASSETS AND INVESTMENTS	9 768 453	10 519 329	9 556 874	9 535 695	9 550 661
Inventories	1 529 981	461 021	336 985	264 705	244 054
Debitors	10 781 758	7 592 917	6 854 529	4 547 801	5 018 281
Marketable Securities, Cash at Bank and on Hand	11 330 835	8 897 873	6 723 068	7 713 311	4 699 466
TOTAL CURRENT ASSETS	23 642 574	16 951 811	13 914 581	12 525 817	9 961 802
Creditors: Amounts payable within one year	21 108 174	14 304 420	10 154 855	9 831 600	7 994 673
Net Current Assets	2 534 399	2 647 390	3 759 726	2 694 217	1 967 128
Total Assets Less Current Liabilities	12 302 852	13 166 719	13 316 600	12 229 912	11 517 789
Creditors: Amounts payable after one year	2 234 329	2 712 474	3 266 874	4 431 502	4 727 173
Provisions for Liabilities and Charges	336 480	266 993	326 767	495 284	1 719 029
NET ASSETS	9 732 043	10 187 253	9 722 958	7 303 126	5 071 588
Non Refundable Funds	3 571 869	3 571 869	3 571 869	3 571 869	3 571 869
Investments Reserves	6 615 383	6 151 088	3 731 257	1 499 719	1 920 100
Surplus for the year	-455 209	464 295	2 419 831	2 231 538	- 420 381
MEMBERS' FUNDS	9 732 043	10 187 253	9 722 958	7 303 126	5 071 588

Note: Tangible assets include the value of the Heart House.Total: 8 718 353 - The mortgage outstanding is 1 707 278.

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Commentary on ESC Group financial performance

- The Financial Year 2001/2002 was a reasonable year in terms of financial performance for the ESC Group, within the context of the 2-year investment programme in new activities currently underway. The budgeted loss has been reduced in half, from -€800,056 budgeted to -€445,209. Included in this reduced loss are two substantial unbudgeted costs the ESC has incurred. Firstly, one of its major business activities and one of the large Working Groups suffered as a consequence of the financial collapse of a 3rd party supplier of services. The ESC is still considering its legal position on this matter. As stated elsewhere, action steps have been taken to prevent similar situations occurring in the future. Secondly, a provision has been taken on the total investment made in a dedicated software developed to support congress organisation systems. This is a prudent economic step in the event that the software system does not perform as intended.
- The Annual Congress in Amsterdam was one of the most successful ever in many ways, including financial, due to the 50th anniversary of the Society.
- The budget for the Financial Year 2001/2002 again foresees a loss as new activities are brought into financial break-even; while future years will require less start-up investment funds. Thus, the aim and commitment of the Board is to achieve, as a minimum, Group revenue and expenditure being in balance.



European Society of Cardiology

The ESC is a non-profit making association.

Income is mainly derived from the National Societies, Fellows, Journals (subscriptions and profit from the publishers), Euro Heart Survey sponsorship, educational and congress activities.

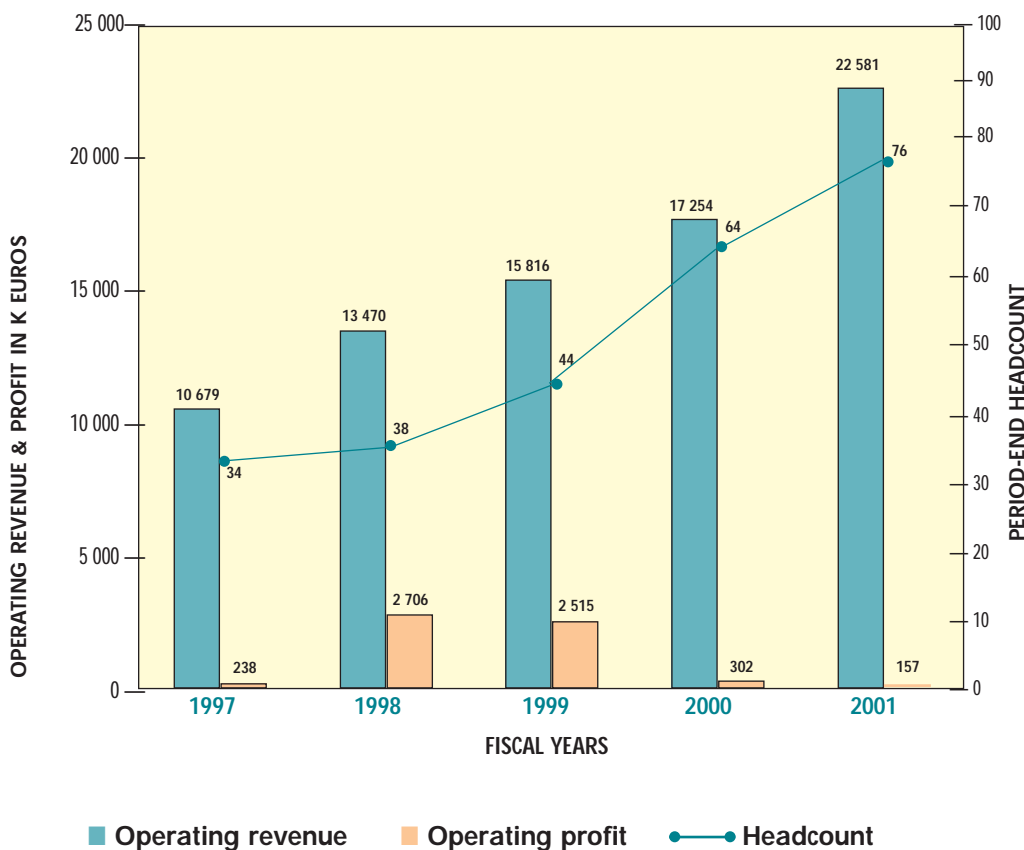
All activities previously carried out by ECOR are now included in the ESC books as of April 1, 2000.

European Heart House

The company, which incorporates the European Heart House, is owned by the ESC (99%) and by ECCO (1%) and itself owns the Heart House building and land.

The single source of income of the European Heart House is the rental paid by the ESC for the premises. The expenses are mainly related to the depreciation of the building and interest paid to the bank for the long-term loan.

GROWTH IN GROUP ANNUAL OPERATING REVENUE, PROFIT & HEADCOUNT



Auditors' Reports

The Auditors' Reports of Ernst & Young have indicated that:

For the ESC:

“ In our opinion, the annual accounts present fairly, in all material respects, the financial position of the European Society of Cardiology at 31 March, 2001 and the results of its operations the year then ended.”

“ We have also carried out, in accordance with professional standards, the specific procedures prescribed by law in conformity with generally accepted accounting principles in France.”

“ We have nothing to report with respect to the fairness of information contained in the Director's Report and its consistency with the annual accounts and other information presented to members concerning the financial position and annual accounts ”.

For the European Heart House:

“ In our opinion, the annual accounts present fairly, in all material respects, the financial position of Maison Européenne du Coeur at 31 March, 2001 and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles in France. “

The Ernst and Young mandate as auditors expires after the General Assembly to be held in Stockholm. Accordingly, there is a Resolution to be voted at the General Assembly concerning the renewal of their mandate for the next six fiscal years, as laid down in French law.

The Membership is reminded that the detailed accounts of each company, together with the "Rapport de Gestion du Conseil d'Administration" are published as a separate document and are freely available to all.

GROWTH IN MEMBERSHIP FUNDS

