

MENCAP LIMITED  
FINANCIAL STATEMENTS

31 MARCH 1998

Registered number: 889191 (England & Wales)

F.W.BERRINGER & CO  
CHARTERED ACCOUNTANTS  
Bromley



MENCAP LIMITED

FINANCIAL STATEMENTS

for the Year ended 31 March 1998

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## MENCAP LIMITED

## COMPANY INFORMATION

31 March 1998

REGISTERED NUMBER : 889191 (England & Wales)

DIRECTORS  
F A Heddell  
B J Davis  
Mrs B Brettell  
R Smythe  
A M Dyckhoff  
D Lawrence  
D Scott-Ralphs

SECRETARY F A Heddell

REGISTERED OFFICE : 117-123 Golden Lane  
London  
EC1Y 0RT

AUDITORS F.W.Berringer & Co  
Chartered Accountants  
Lygon House  
50 London Road  
Bromley  
Kent BR1 3RA

## MENCAP LIMITED

## DIRECTORS' REPORT

31 March 1998

The directors present their report and the audited financial statements for the year ended 31 March 1998.

## Principal activity

The principal activity of the company in the year under review was that of retailing cards, gifts and books.

## Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 March 1998 Ordinary shares	1 April 1997 Ordinary shares
F A Heddell	-	-
B J Davis	-	-
Mrs B Brettell	-	-
R Smythe	-	-
A M Dyckhoff	-	-
D Lawrence	-	-

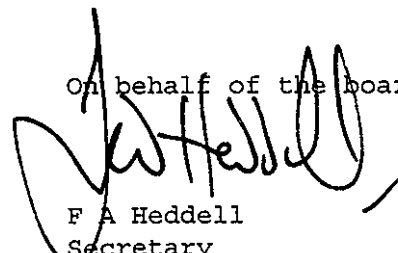
## Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary F.W.Berringer & Co will continue in office.

## Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



F A Heddell  
Secretary  
22.12.98.

117-123 Golden Lane  
London  
EC1Y 0RT

## MENCAP LIMITED

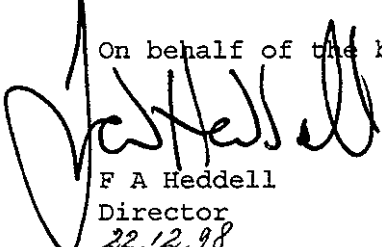
## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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 company will continue in business.

The directors are responsible for keeping 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.

On behalf of the board



F A Heddell  
Director  
22.12.98

## MENCAP LIMITED

## AUDITORS' REPORT

Auditors' report to the members of

Mencap 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 3, 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 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 company's affairs as at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

F.W.Berringer & Co  
Lygon House  
50 London Road  
Bromley  
Kent BR1 3RA



Registered Auditors  
Chartered Accountants

22.12.98

## MENCAP LIMITED

## PROFIT AND LOSS ACCOUNT

for the Year ended 31 March 1998

	Note	1998 £	1997 £
Turnover	2	953,593	1,549,466
Cost of sales		(773,345)	(1,321,461)
Gross profit		180,248	228,005
Net operating expenses			
Administrative expenses		(53,993)	(129,469)
Other operating income		-	485
Profit on ordinary activities before taxation		126,255	99,021
Taxation	6	-	-
Profit on ordinary activities after taxation		126,255	99,021
Payable under Deed of Covenant		(126,255)	(99,021)
Retained profit for the Year	13	-	-

Movements in reserves are shown in note 13.

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

There are no recognised gains and losses in 1998 or 1997 other than the profit for the Year.

## MENCAP LIMITED

## BALANCE SHEET

at 31 March 1998

	Note	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	7	-	909
<b>Current assets</b>			
Stocks	8	11,359	12,707
Debtors	9	123,298	82,244
Cash at bank and in hand		119,333	51,435
		<u>253,990</u>	<u>146,386</u>
Creditors: amounts falling due within one year	10	(253,988)	(147,293)
Net current assets/(liabilities)		<u>2</u>	<u>(907)</u>
Total assets less current liabilities		<u>2</u>	<u>2</u>
<b>Capital and reserves</b>			
Called up share capital	12	<u>2</u>	<u>2</u>
Total shareholders' funds	11	<u>2</u>	<u>2</u>

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 10 were approved by the board of directors on \_\_\_\_\_ and signed on its behalf by:

  
F A Heddell  
Director



## MENCAP LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 March 1998

## 1 Accounting policies

**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

**Turnover**

Turnover represents the net invoiced sales of goods, commission and royalties excluding value added tax.

**Depreciation**

Depreciation of fixed assets is calculated to write off their cost over their estimated useful lives as follows:

Computer equipment	20% per annum straight line method
Shop equipment	20% per annum straight line method

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

## 2 Turnover

The turnover is attributable to the one principal activity of the company all confined to the United Kingdom.

## 3 Operating profit

	1998	1997
	£	£
Operating profit is stated after charging		
Auditors' remuneration	3,800	3,200
Depreciation of tangible fixed assets (note 7)		
Owned assets	910	1,820

## 4 Directors and employees

All staff engaged in the activities of the company are employed by the Royal Society for Mentally Handicapped Children and Adults who charge the company via a management charge with the actual staff costs incurred. The company thus has no employees.

No director received any remuneration during the year.

## 5 Deed of Covenant

The company has covenanted to pay over its taxable profit for the year to the Royal Society for Mentally Handicapped Children and Adults after deduction of income tax.

## MENCAP LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 March 1998

## 6 Taxation

There is no liability to corporation tax as the company has covenanted to pay over its taxable profit as in note 6 above.

## 7 Tangible fixed assets

	Computer Equipment	Shop Equipment	Total
Cost	£	£	£
1 April 1997 and 31 March 1998	11,476	604	12,080
Depreciation			
1 April 1997	10,732	438	11,170
Charge for Year	744	166	910
31 March 1998	11,476	604	12,080
Net book amount			
31 March 1998	-	-	-
1 April 1997	743	166	909

## 8 Stocks

	1998 £	1997 £
Stocks	11,359	12,707

## 9 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	123,298	63,729
Other debtors	-	18,515
	123,298	82,244

## MENCAP LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 March 1998

## 10 Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	-	1,065
Other taxation and social security	19,294	11,555
Other creditors	234,694	134,673
	<u>253,988</u>	<u>147,293</u>

Other creditors includes a debenture loan of £127,678 (1997 - £121,473) which has been issued by the parent company, the Royal Society for Mentally Handicapped Children and Adults, for the purpose of meeting temporary working capital requirements.

The debenture loan is secured by a fixed and floating charge over the assets of the company.

## 11 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial Year	126,255	99,021
Payable under Deed of Covenant	<u>(126,255)</u>	<u>(99,021)</u>
Net addition to shareholders' funds	-	-
Opening shareholders' funds	<u>2</u>	<u>2</u>
Closing shareholders' funds	<u>2</u>	<u>2</u>

## 12 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary £1 shares	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted called up and fully paid				
Ordinary £1 shares	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

## 13 Profit and loss account

1998  
£

-

## MENCAP LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 March 1998

## 14 Parent company

The company is a wholly owned subsidiary of the Royal Society for Mentally Handicapped Children and Adults, a company limited by guarantee, registered in England and Wales. Group accounts of the Royal Society for Mentally Handicapped Children and Adults may be obtained from Mencap National Centre, 123 Golden Lane, London, EC1Y 0RT.