

Company Registration No. 889191

MENCAP LIMITED

Report and Financial Statements

31 March 2004



REPORT AND FINANCIAL STATEMENTS 2004

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OFFICERS AND PROFESSIONAL ADVISERS

Company Registration No. 889191

Directors

A Dyckhoff
S Kelly
D Lawrence

Secretary

D Lawrence

Registered Office

117-123 Golden Lane
London
EC1Y 0RT

Bankers

Barclays Bank PLC
Charities Team
PO Box 544
54 Lombard Street
London
EC3V 9EX

Auditors

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2004.

Activities

The principal activity of the company during the year remained the organisation of promotional activities.

Review of Results and Future Prospects

The results for the year are set out in the attached financial statements. The company made neither a profit nor a loss in the current year. The directors intend to continue with the present activities of the company.

Directors and their interests

The following directors served throughout the year and subsequent to the year end:

A Dyckhoff
S Kelly
D Lawrence
D Scott-Ralphs (resigned 20 June 2003)

None of the directors had any interests in the share capital of the company nor any other group company at 31 March 2004.

Statement of Directors' Responsibilities

United Kingdom 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 as at the end of the financial year 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a 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 internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



D Lawrence
Secretary

8 September 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MENCAP LIMITED

We have audited the financial statements of Mencap Limited for the year ended 31 March 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

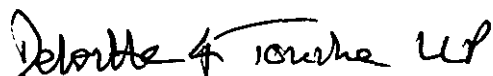
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 31 March 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

9 September 2004

PROFIT AND LOSS ACCOUNT
31 March 2004

	Note	£	2004 £	£	2003 £
TURNOVER	1		978,542		1,094,015
Promotion expenses		932,631		1,054,151	
Administration expenses		1,545		1,500	
			<u>(934,176)</u>		<u>(1,055,651)</u>
OPERATING PROFIT	2		44,366		38,364
Payment under Gift Aid	3		<u>(44,366)</u>		<u>(38,364)</u>
Result for the year			<u>-</u>		<u>-</u>

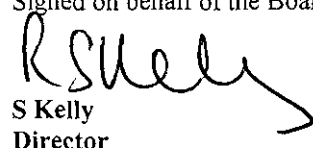
The turnover and profit on ordinary activities in the current and preceding financial years derive from continuing activities.

There are no recognised gains or losses or other movements in shareholders' funds for the current or preceding financial years other than as stated in the profit and loss account.

BALANCE SHEET
31 March 2004

	Note	£	2004 £	£	2003 £
CURRENT ASSETS					
Stocks – finished goods		12,882		9,770	
Debtors	6	692,548		620,650	
Cash at bank and in hand		67,208		56,629	
			772,638		687,049
CREDITORS: amounts falling due within one year					
	7		(772,636)		(687,047)
NET CURRENT ASSETS					
			2		2
TOTAL ASSETS LESS CURRENT LIABILITIES					
			2		2
CAPITAL AND RESERVES					
Called up share capital	8		2		2
EQUITY SHAREHOLDERS' FUNDS					
			2		2

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors


S Kelly
Director

8 September 2004

NOTES TO THE ACCOUNTS
Year Ended 31 March 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below:

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover arises from promotional activities carried out in England, Wales and Northern Ireland.

Stocks

Stocks, which comprise stationery and goods for resale, are stated at lower of cost or net realisable value.

Deferred tax

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. OPERATING PROFIT

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation charge	-	268
Auditors' remuneration – audit fees	1,545	1,500
	<u>1,545</u>	<u>1,500</u>

3. PAYMENT UNDR GIFT AID

The company covenants to pay over its taxable profit for any year to The Royal Mencap Society.

4. EMPLOYEES

All staff engaged in the activities of the company are employed by The Royal Mencap Society who charge the company with the actual staff costs incurred. The company thus has no employees.

None of the directors received any remuneration during the year for their services to this company (2003 - £nil).

NOTES TO THE ACCOUNTS
Year Ended 31 March 2004

5. TAXATION

	2004 £	2003 £
<i>Analysis of tax charge on ordinary activities</i>		
U.K. corporation tax at 30% based on result for year	-	-
Factors affecting tax charge for the current period		
	2004 £	2003 £
Loss on ordinary activities before tax	-	-
Tax at 30% thereon:	-	-
Capital allowances in excess of depreciation	-	53
Rate differences on current tax	-	(53)
Current tax charge for the year	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to excess capital allowances as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £81. The asset would be recovered if sufficient profits were to arise in future periods against which it could be offset.

6. DEBTORS

	2004 £	2003 £
Accrued income and prepayments	71,548	74,650
Amounts owed by group undertakings	621,000	546,000
	692,548	620,650

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade creditors	-	-
Other creditors	53,858	54,620
Amounts owed to group undertakings	718,778	632,427
	772,636	687,047

NOTES TO THE ACCOUNTS
Year Ended 31 March 2004

8. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised:		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
	2004 £	2003 £
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

9. RECONCILIATION IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	44,366	38,364
Amount covenanted to Royal Mencap Society	(44,366)	(38,364)
Opening shareholders' funds	2	2
	<u> </u>	<u> </u>
Closing shareholders' funds	2	2
	<u> </u>	<u> </u>

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

In the opinion of the directors the ultimate parent company and controlling party of the company is The Royal Mencap Society, a company registered in England and Wales. That company heads the smallest and largest groups for which consolidated accounts are prepared. Copies of the group financial statements of The Royal Mencap Society may be obtained from Mencap National Centre, 123 Golden Lane, London EC1Y 0RT.

12. CASH FLOW STATEMENT

Advantage has been taken of the exemption for small companies from preparing a cash flow statement under s247 of the Companies Act.

13. RELATED PARTIES

Mencap Limited has taken advantage of the exemption within FRS 8 "Related Party Disclosures" from disclosure of transactions in the financial statements of subsidiary undertakings, 90% or more of whose voting rights are controlled within the group.

Related parties of Mencap Limited are The Royal Mencap Society and its other wholly owned subsidiaries.