

Company Registration No. 889191

MENCAP LIMITED

Report and Financial Statements

31 March 2001

**Deloitte & Touche
Verulam Point
Station Way
St Albans
AL1 5HE**



REPORT AND FINANCIAL STATEMENTS 2001

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Dyckhoff
R Kelly
D Norgrove
D Scott Ralphs
D Lawrence

SECRETARY

D Lawrence

REGISTERED OFFICE

117-123 Golden Lane
London
EC1Y 0RT

BANKERS

Barclays Bank PLC

AUDITORS

Deloitte & Touche
Chartered Accountants
Verulam Point
Station Way
St Albans
AL1 5HE

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2001.

ACTIVITIES

The principal activity of the company during the year remained the retailing of cards and gifts.

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

The following directors served throughout the year and subsequent to the year end, except where indicated:

B J Davis	(resigned 6 September 2000)
F A Heddell	(resigned 6 September 2000)
B Brettell	(resigned 6 September 2000)
A Dyckhoff	
R Smythe	(resigned 6 September 2000)
D Scott Ralphs	
D Lawrence	
S Kelly	(appointed 12 February 2001)
D Norgrove	(appointed 12 February 2001)

None of the directors had any interests in the share capital of the company nor any other group company at 31 March 2001.

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 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:

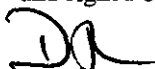
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume 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 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 for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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



D Lawrence
Secretary

10 September 2001

Deloitte & Touche
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Hertfordshire AL1 5HE

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**Deloitte
& Touche**

AUDITORS' REPORT TO THE MEMBERS OF MENCAP LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2, 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 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 at 31 March 2001 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors
30 November 2001

**Deloitte
& Touche
Tohmatsu**

Aberdeen, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.

Principal place of business at which a list of partners' names is available: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2001

	Note	2001 £	2000 £
TURNOVER		1,322,001	1,381,154
Cost of sales		<u>(1,193,508)</u>	<u>(1,294,477)</u>
Gross profit		128,493	86,677
Administration expenses		<u>(66,856)</u>	<u>(79,004)</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES	2	61,637	7,673
Payment made under Gift Aid	3	<u>(61,637)</u>	<u>(7,673)</u>
Result for the year		<u><u>-</u></u>	<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 2001

	Note	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible assets	6		<u>536</u>		<u>804</u>
CURRENT ASSETS					
Stocks – goods for resale		8,471		11,869	
Debtors	7	516,470		486,122	
Cash at bank and in hand		<u>42,781</u>		<u>3,119</u>	
			567,722		501,110
CREDITORS: amounts falling due within one year	8		<u>(568,256)</u>		<u>(501,912)</u>
NET CURRENT LIABILITIES			<u>(534)</u>		<u>(802)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2</u>		<u>2</u>
CAPITAL AND RESERVES					
Called up share capital	9		<u>2</u>		<u>2</u>
EQUITY SHAREHOLDERS' FUNDS			<u>2</u>		<u>2</u>

These financial statements were approved by the Board of Directors on 10 September 2001.
Signed on behalf of the Board of Directors



D Norgrove
Director

NOTES TO THE ACCOUNTS

Year ended 31 March 2001

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.

Stock

Stock is stated at the lower of cost and net realisable value.

Depreciation

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

Computer equipment	4 years
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2. OPERATING PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Operating profit on ordinary activities is stated after charging:		
Auditors' remuneration	1,500	3,600

3. PAYMENT UNDER GIFT AID

The company has agreed to gift its taxable profit for any year to The Royal Society for Mentally Handicapped Children and Adults.

4. EMPLOYEES

All staff engaged in the activities of the company are employed by The Royal Society of Mentally Handicapped Children and Adults 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 (2000 - £nil).

5. TAXATION

There is no liability to corporation tax since, as stated in note 3, the company has no taxable profits.

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

6. FIXED ASSETS

	Computer equipment £
Cost or valuation	
Balance as at 31 March 2000 and 2001	1,072
Accumulated depreciation	
Balance as at 31 March 2000	268
Charge for year	268
Balance at 31 March 2001	536
Net Book Value	
31 March 2001	536
31 March 2000	804

7. DEBTORS

	2001 £	2000 £
Trade debtors	63,470	83,122
Amounts owed by The Royal Society for Mentally Handicapped Children and Adults	453,000	403,000
	516,470	486,122

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade creditors	22,631	70,019
Other creditors	41,267	27,645
Amounts owed to The Royal Society for Mentally Handicapped Children and Adults	504,358	404,248
	568,256	501,912

NOTES TO THE ACCOUNTS
Year ended 31 March 2001**9. CALLED UP SHARE CAPITAL**

	2001 £	2000 £
Authorised: 100 ordinary shares of £1 each	100	100
Called up, allotted and fully paid: 2 ordinary shares of £1 each	2	2

10. PARENT COMPANY

In the opinion of the directors the company's ultimate parent company is The Royal Society for Mentally Handicapped Children and Adults, a company registered in England and Wales. Copies of the group financial statements of The Royal Society for Mentally Handicapped Children and Adults may be obtained from Mencap National Centre, 123 Golden Lane, London EC1Y 0RT.

11. 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.