

MENCAP LIMITED

Report and Financial Statements

31 March 2002



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REPORT AND FINANCIAL STATEMENTS 2002

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OFFICERS AND PROFESSIONAL ADVISERS

Directors

A Dyckhoff
R S Kelly
D Lawrence
D Norgrove
D Scott Ralphs

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
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 2002.

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
R S Kelly
D Lawrence
D Norgrove
D Scott Ralphs

None of the directors had any interests in the share capital of the company nor any other group company at 31 March 2002.

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;
- 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.

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



D Lawrence
Secretary
11 September 2002

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MENCAP LIMITED

We have audited the financial statements of Mencap Limited for the year ended 31 March 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

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 2002 and of its 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
London

18 October 2002

PROFIT AND LOSS ACCOUNT
31 March 2002

| | Note | £ | 2002 £ | £ | 2001 £ |
|--|------|---------------|--------------------|---------------|--------------------|
| TURNOVER | 1 | | 1,241,530 | | 1,322,001 |
| Promotion expenses | | 1,118,410 | | 1,193,508 | |
| Administration expenses | | <u>55,587</u> | | <u>66,856</u> | |
| | | | <u>(1,173,997)</u> | | <u>(1,260,364)</u> |
| OPERATING PROFIT ON ORDINARY ACTIVITIES | 2 | | 67,533 | | 61,637 |
| Covenanted payment | 3 | | <u>(67,533)</u> | | <u>(61,637)</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 2002

| | Note | £ | 2002 £ | £ | 2001 £ |
|---|------|--------------|--------------|---------------|--------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 6 | | 268 | | 536 |
| | | | <u>268</u> | | <u>536</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 7 | 706,713 | | 516,470 | |
| Stocks | | 3,877 | | 8,471 | |
| Cash at bank and in hand | | <u>7,331</u> | | <u>42,781</u> | |
| | | | 717,921 | | 567,722 |
| CREDITORS: amounts falling due within one year | 8 | | (718,187) | | (568,256) |
| NET CURRENT LIABILITIES | | | <u>(266)</u> | | <u>(534)</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 11th September 2002.
Signed on behalf of the Board of Directors



D Norgrove
Director

NOTES TO THE ACCOUNTS
Year Ended 31 March 2002

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.

Fixed Assets

Fixed assets costing more than £1000 have been capitalised. Depreciation is provided to write off the cost of the assets in equal instalments over the estimated useful lives of the assets. The depreciation rate used for the computer equipment is 25% per annum.

2. OPERATING PROFIT ON ORDINARY ACTIVITIES

| | 2002 £ | 2001 £ |
|---|--------------|--------------|
| Operating profit on ordinary activities is stated after charging: | | |
| Depreciation charge | 268 | 268 |
| Auditors' remuneration | 1,763 | 1,500 |
| | <u>1,763</u> | <u>1,500</u> |

3. COVENANTED PAYMENT

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 (2001 - £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 2002

6. FIXED ASSETS

| | Computer equipment £ |
|---------------------------------|----------------------------|
| Cost or valuation | |
| Balance as at 1 April 2001 | 1,072 |
| Additions | - |
| | <u>1,072</u> |
| Balance at 31 March 2002 | <u>1,072</u> |
| Accumulated depreciation | |
| Balance as at 1 April 2001 | 536 |
| Disposals | - |
| Charge for year | 268 |
| | <u>804</u> |
| Balance at 31 March 2002 | <u>804</u> |
| NBV 31 March 2002 | <u>268</u> |
| NBV 31 March 2001 | <u>536</u> |

7. DEBTORS

| | 2002 £ | 2001 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | - | 63,470 |
| Accrued Income | 184,713 | - |
| Amounts owed by parent company | 522,000 | 453,000 |
| | <u>706,713</u> | <u>516,470</u> |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2002 £ | 2001 £ |
|--------------------------------|----------------|----------------|
| Trade creditors | 1,358 | 22,631 |
| Other creditors | 96,476 | 41,267 |
| Amounts owed to parent company | 620,353 | 504,358 |
| | <u>718,187</u> | <u>568,256</u> |

NOTES TO THE ACCOUNTS
Year Ended 31 March 2002

9. CALLED UP SHARE CAPITAL

| | 2002 £ | 2001 £ |
|-------------------------------------|------------|------------|
| Authorised: | | |
| 100 ordinary shares of £1 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |
| | 2002 £ | 2001 £ |
| Called up, allotted and fully paid: | | |
| 2 ordinary shares of £1 each | 2 | 2 |
| | <u>2</u> | <u>2</u> |

10. PARENT COMPANY

In the opinion of the directors the company is a wholly owned subsidiary of The Royal Mencap Society, a company registered in England and Wales. Copies of the group financial statements of The Royal Mencap Society 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.

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