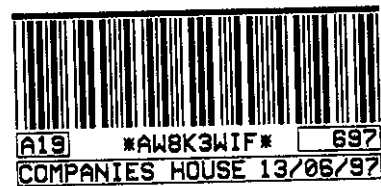


**The Royal British Legion
Attendants Company Limited
(By Guarantee)**

Directors' report and financial statements

27 September 1996

Registered number 382493



The Royal British Legion Attendants Company Limited (By Guarantee)

Directors' report and financial statements

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The Royal British Legion Attendants Company Limited

(By Guarantee)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 27 September 1996.

Principal activity

The principal activity of the company continues to be the provision of ex-service personnel for duties as Security Officers, Commissionaires and Car Park Attendants and the directors intend to continue and develop this activity.

Business review

The surplus for the year after investment income amounted to £232,380 (1995: £82,442) which has been transferred to the general reserve. The directors are pleased to report an improved surplus which is due to: the generation of additional margins, the result of extensive product review, together with on-going and improved control of direct costs; indirect overheads; and continuing restructuring of the organisation in order to meet business objectives.

Significant changes in fixed assets

Information regarding changes in fixed assets is given in note 7 to the accounts.

In the opinion of the directors the market values of freehold properties are not significantly different from their book values.

Directors and directors' interests

The directors who held office during the year were as follows:

ER Jobson CBE	Chairman
D Switzer	Deputy Chairman
JR Fairclough	
PH Tinsley BA (cantab), FICE, MI Struct. E	
RD Wilson OBE	
D Woods	
PD McClusky (appointed 21 November 1995)	
H Mackinley (appointed 21 November 1995)	
JM Wheeldon (appointed 21 November 1995)	
RW Buckingham CBE (retired 21 May 1996)	
Bgdr KJ Mears CBE (retired 21 May 1996)	
DH Young (deceased 1 September 1996)	

The directors retire each year, but are eligible to offer themselves for re-election.

Chief Executive and Company Secretary

Chief Executive	RB Long
Company Secretary	RH Campbell-Smith

The Royal British Legion Attendants Company Limited

(By Guarantee)

Directors' report (*continued*)

Employees

It is the policy of the company to give every consideration to applications for employment from disabled persons and afford them full opportunity for appointment to and training for positions within their capabilities. Should an employee become disabled during his or her employment by the company, every effort is made to continue employment within their existing capacity wherever practicable, or failing that in some alternative suitable capacity.

During the year the company introduced a newsletter which is distributed to all employees. The newsletter will provide a regular medium for keeping employees informed about the development of the company and matters affecting them.

Political and charitable contributions

The company made no political contributions during the year. Donations to The Royal British Legion Charities and other charities amounted to £3,600 (*1995: £4,562*).


Liability insurance

During the year the company maintained liability insurance for its officers.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board


ER Jobson CBE
Chairman

351-353 Newmarket Road
Cambridge
CB5 8JG

19 November 1996

The Royal British Legion Attendants Company Limited

(By Guarantee)

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 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for maintaining 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 have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the company and detect fraud and other irregularities.



Edward VII Quay
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Ashton-on-Ribble
PRESTON
PR2 2YF

Report of the auditors to the members of The Royal British Legion Attendants Company Limited (By Guarantee)

We have audited the financial statements on pages 5 to 16.

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 of 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 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 27 September 1996 and of its surplus of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

19 November 1996

The Royal British Legion Attendants Company Limited

(By Guarantee)

Income and expenditure account for the year ended 27 September 1996

	<i>Note</i>	1996 £	1995 £
Turnover		38,475,105	36,784,365
Less: Amounts paid or due to principals under contract		(16,994,356)	(16,218,710)
Operating turnover	2	21,480,749	20,565,655
Operating expenses	3-4	(21,230,814)	(20,444,714)
Operating surplus		249,935	120,941
Investment income	5	35,333	14,554
Interest payable	6	(52,888)	(53,053)
Retained surplus for the financial year		232,380	82,442
General reserve brought forward		2,297,471	2,215,029
General reserve carried forward		2,529,851	2,297,471

Statement of total recognised gains and losses for the year ended 27 September 1996

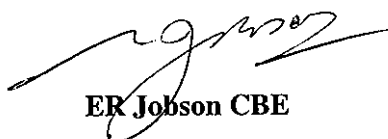
There are no other gains or losses other than the surplus for either year.


The Royal British Legion Attendants Company Limited (By Guarantee)

Balance sheet
at 27 September 1996

	Note	1996	1995
		£	£
Fixed assets			
Tangible assets	7	831,497	820,982
Current assets			
Debtors	9	3,269,431	3,080,608
Cash at bank and in hand		115,274	471,886
		<u>3,384,705</u>	<u>3,552,494</u>
Creditors: amounts falling due within one year	10	(1,494,312)	(1,879,949)
Net current assets		<u>1,890,393</u>	<u>1,672,545</u>
Total assets less current liabilities		<u>2,721,890</u>	<u>2,493,527</u>
Creditors: amounts falling due after more than one year	11	(192,039)	(196,056)
Net assets		<u>2,529,851</u>	<u>2,297,471</u>
General reserve		<u>2,529,851</u>	<u>2,297,471</u>

These financial statements were approved by the board of directors on 19 November 1996 and were signed on its behalf by:


ER Jobson CBE


D Switzer
Directors

The Royal British Legion Attendants Company Limited

(By Guarantee)

Cash flow statement

for the year ended 27 September 1996

	Note	1996 £	1995 £
Net cash (outflow)/inflow from operating activities	14	(139,241)	1,001,793
Returns on investments and servicing of finance			
Interest received		35,333	14,554
Interest paid		(51,202)	(51,166)
Interest element of finance lease rental payments		(1,686)	(1,887)
Net cash outflow from returns on investment and servicing of finance		(17,555)	(38,499)
Investing activities			
Purchase of tangible fixed assets		(95,775)	(81,410)
Sale of tangible fixed assets		353	1,798
Net cash outflow from investing activities		(95,422)	(79,612)
Net cash (outflow)/inflow before financing		(252,218)	883,682
Financing			
Capital element of finance lease rental		(5,252)	(7,316)
Inception of new finance lease contract		9,000	-
Repayment of bank loan		(8,142)	(9,361)
Repayment of Royal British Legion loan		(100,000)	-
Net cash outflow from financing	15	(104,394)	(16,677)
(Decrease)/increase in cash and cash equivalents	16	(356,612)	867,005

The Royal British Legion Attendants Company Limited

(By Guarantee)

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Status of the company

The Royal British Legion Attendants Company Limited is a company limited by guarantee and does not have a share capital. The liability of the members is limited, but is not to exceed five pence per member. The company is a registered Charity (number 206134).

Accounting date

The financial statements are drawn up for the financial year ending on the nearest Friday preceding 30 September.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules and in accordance with Statement of Recommended Practice No 2, "Accounting by Charities" issued in November 1995. Where appropriate, the format of accounts prescribed by the Companies Act 1985 has been varied in order to more fairly present the activities of the company.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2% per annum
Motor vehicles	-	25% per annum
Fixtures and fittings and operational equipment	-	10-25% per annum

No depreciation is provided on freehold land.

Pension costs

Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the company benefits from employees' services. The effects of variations from normal costs are spread over the expected average remaining working lives of the current members of the scheme.

The Royal British Legion Attendants Company Limited

(By Guarantee)

Notes (continued)

1 Accounting policies (continued)

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Stocks

Consumable stocks are written off as purchased.

Taxation

The Inland Revenue considers The Royal British Legion Attendants Company Limited to be a charity, and therefore entitled to exemption from tax afforded by section 505(1) Income and Corporation Taxes Act 1988. Subject to the continuing fulfilment of the requirements of that section, that income be applicable and applied to charitable purposes only, the financial statements do not reflect any provisions, reserves or adjustments for such taxation.

Turnover

Turnover represents the amounts (excluding value added tax) derived from total parking charges and the provision of services of uniformed personnel to customers during the year.

2 Analysis of operating turnover

	1996 £	1995 £
<i>By activity</i>		
Car park	3,753,068	3,654,857
Security and commissionaires	17,123,675	16,394,227
Other	604,006	516,571
	<u>21,480,749</u>	<u>20,565,655</u>

All sales are made wholly within the UK.

The Royal British Legion Attendants Company Limited (By Guarantee)

Notes (continued)

3 Operating expenses

	1996 £	1995 £
Staff costs	19,393,163	18,758,930
Auditors' remuneration:		
Audit	8,600	8,150
Other	1,650	650
Depreciation and other amounts written off tangible fixed assets	89,815	82,941
Hire of plant and machinery - rentals payable under operating leases	312,433	291,011
Hire of other assets - operating leases	97,774	87,256
Other operating charges	1,327,379	1,215,776
	<u>21,230,814</u>	<u>20,444,714</u>

4 Directors and employees

The directors of the company are non-executive and are all trustees of the charity and as such are not regarded as employees.

The average number of persons employed by the company during the year, excluding directors, analysed by category, was as follows:

	Number of employees	
	1996	1995
Attendants	1,540	1,511
Staff	83	78
	<u>1,623</u>	<u>1,589</u>

The Royal British Legion Attendants Company Limited (By Guarantee)

Notes (continued)

4 Directors and employees (continued)

The aggregate payroll costs of these persons were as follows:

	1996 £	1995 £
Wages and salaries	17,740,997	17,174,580
Social security costs	1,560,685	1,497,300
Other pension costs (see note 13)	86,459	81,027
	<u>19,388,141</u>	<u>18,752,907</u>

The directors did not receive emoluments during either year.

5 Investment income

	1996 £	1995 £
Bank deposit interest	<u>35,333</u>	<u>14,554</u>

6 Interest payable

	1996 £	1995 £
On bank loans, overdrafts and other loans wholly repayable within five years	33,054	31,846
On all other loans	18,148	19,320
Finance charges payable in respect of finance leases	1,686	1,887
	<u>52,888</u>	<u>53,053</u>

The Royal British Legion Attendants Company Limited (By Guarantee)

Notes (continued)

7 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Operational equipment £	Total £
Cost					
At beginning of year	735,816	89,743	238,766	143,116	1,207,441
Additions	-	31,839	55,939	15,997	103,775
Disposals	-	(39,593)	-	-	(39,593)
At end of year	735,816	81,989	294,705	159,113	1,271,623
Depreciation					
At beginning of year	98,990	72,103	113,512	101,854	386,459
Charge for year	15,582	9,525	45,010	19,698	89,815
Disposals	-	(36,148)	-	-	(36,148)
At end of year	114,572	45,480	158,522	121,552	440,126
Net book value					
At 27 September 1996	621,244	36,509	136,183	37,561	831,497
At 29 September 1995	636,826	17,640	125,254	41,262	820,982

Freehold property at a cost of £723,607 (1995: £723,067) is subject to depreciation.

Included within motor vehicles are assets subject to finance lease, the cost of which is £9,000 (1995: £27,000). Cumulative depreciation on these assets is £375 (1995: £15,191) and the depreciation charged in the year amounted to £375 (1995: £6,752).

The Royal British Legion Attendants Company Limited

(By Guarantee)

Notes (continued)

8 Capital commitment

There were no capital commitments at the end of the financial year for which no provision has been made.

9 Debtors

	1996 £	1995 £
Trade debtors	3,217,056	3,044,567
Prepayments and accrued income	52,375	36,041
	<u>3,269,431</u>	<u>3,080,608</u>

10 Creditors: amounts falling due within one year

	1996 £	1995 £
Royal British Legion loan	-	100,000
Bank loan (see note 11)	28,680	28,680
Trade creditors	57,898	54,201
Other taxes and social security	923,501	1,198,322
Obligations under finance leases (see note 12)	4,500	4,877
Other creditors	466,667	473,351
Accruals and deferred income	13,066	20,518
	<u>1,494,312</u>	<u>1,879,949</u>

The Royal British Legion Attendants Company Limited

(By Guarantee)

Notes (continued)

11	Creditors: amounts falling due after more than one year		
		1996	1995
		£	£
	Bank loan	187,914	196,056
	Obligations under finance leases (<i>see note 12</i>)	4,125	-
		<hr/>	<hr/>
		192,039	196,056
		<hr/>	<hr/>

The bank loan is repayable by instalments over 15 years which commenced in June 1993. Interest is charged at 2% above the bank's base rate. The bank loan is secured over freehold property included in the financial statements at £407,062.

12	Obligations under operating leases and finance leases		
	Finance lease and similar charges:		
		1996	1995
		£	£
	Instalments falling due:		
	Within one year	4,500	4,877
	Within two to five years	4,125	-
		<hr/>	<hr/>
		8,625	4,877
		<hr/>	<hr/>

The Royal British Legion Attendants Company Limited

(By Guarantee)

Notes (continued)

12 Obligations under operating leases and finance leases (continued)

Operating leases:

The company is committed to make payments amounting to £356,265 (1995: £241,505) during the next year.

This comprises amounts payable in respect of leases which expire:

	1996		1995	
	Land and buildings	Vehicles and equipment	Land and buildings	Vehicles and equipment
	£	£	£	£
Within one year	4,200	74,647	16,075	33,706
In the second to fifth years inclusive	117,517	145,940	25,000	154,224
Over five years	8,450	5,511	12,500	-
	<u>130,167</u>	<u>226,098</u>	<u>53,575</u>	<u>187,930</u>

13 Pension scheme

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the current unit method. The most recent valuation was at 31 January 1996. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 9% per annum and that salaries would increase at 7.5% per annum.

The pension charge for the year was £86,459 (1995: £81,027).

The most recent valuation showed that the market value of the scheme's assets was £551,100 and that the actuarial value of those assets covers 113% of the scheme's liabilities as at that date after allowing for expected future increases in earnings. The contributions of the company have been set at 11.6% of pensionable earnings with effect from 1 February 1996. The employees contributions remain at 4% of pensionable earnings.

Prepaid contributions at the end of the financial year amounted to £nil (1995: £nil).

The Royal British Legion Attendants Company Limited (By Guarantee)

Notes (continued)

14 Reconciliation of operating surplus to net cash (outflow)/inflow from operating activities

	1996 £	1995 £
Net cash (outflow)/inflow from operating activities		
Operating surplus for the year	249,935	120,941
Depreciation	89,815	82,941
(Profit)/loss on sale of tangible fixed assets	(4,908)	10,196
(Increase)/decrease in debtors	(188,823)	757,124
(Decrease)/increase in creditors	(285,260)	30,591
	<u>(139,241)</u>	<u>1,001,793</u>

15 Analysis of changes in financing during the period

	Loans and finance lease obligations £
Balance at 30 September 1994	346,290
Capital element of finance lease rental payments	(7,316)
Repayment of bank loan	(9,361)
	<u>329,613</u>
Balance at 29 September 1995	(5,252)
Capital element of finance lease rental payments	9,000
Inception of finance lease contract	(8,142)
Repayment of bank loans	(100,000)
Repayment of Royal British Legion loan	<u>225,219</u>
Balance at 27 September 1996	

16 Analysis of changes in cash and cash equivalents

	Cash at bank and in hand £	Overdraft £	Total £
Balance at 30 September 1994	2,925	(398,044)	(395,119)
Net cash inflow	468,961	398,044	867,005
	<u>471,866</u>	<u>-</u>	<u>471,886</u>
Balance at 29 September 1995	(356,612)	-	(356,612)
Net cash outflow			
	<u>115,274</u>	<u>-</u>	<u>115,274</u>
Balance at 27 September 1996			