

HELP THE AGED (MAIL ORDER) LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH APRIL 1996

Registered Number: 893588



HAYS ALLAN
CHARTERED ACCOUNTANTS

HELP THE AGED (MAIL ORDER) LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 1996

CONTENTS	Pages
Administration	1
Directors' report	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 10

HELP THE AGED (MAIL ORDER) LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 1996

DIRECTORS

E.J. Mayo OBE

S.D. Burgess

J.M. South

SECRETARY

S.D. Burgess

REGISTERED OFFICE

St. James's Walk,
London, EC1R 0BE.

BANKERS

Barclays Bank Plc

AUDITORS

Hays Allan

Chartered Accountants

Registered Auditor

HELP THE AGED (MAIL ORDER) LIMITED

DIRECTORS' REPORT

YEAR ENDED 30TH APRIL 1996

The directors present their annual report together with the audited financial statements of the company for the year ended 30th April 1996.

REVIEW OF THE BUSINESS

The principal activities of the company are the sale of Christmas cards and other merchandise by mail order catalogue, and the supply of fuel and power.

1995/96 was another difficult trading year. However, by transferring the fulfillment operation from inhouse to a specialist company substantial savings will be made. It is hoped by doing this with the additional support of a national press campaign the company will return to the required level of profitability.

The loss for the year was £108,668 (1995: loss £67,879) and no payment was made under Deed of Covenant to the charity, Help The Aged.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY

Directors of the company during the year were:

E.J. Mayo OBE
S.D. Burgess
B.H. Wright (resigned 31st December 1995)
J.M. South (appointed 31st December 1995)

None of the directors have any interest in the shares of the company.

The directors do not propose the payment of a dividend.

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 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 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

The auditors Hays Allan have expressed their willingness to continue in office and offer themselves for re-election.

BY ORDER OF THE BOARD

S.D. Burgess
Secretary



25th July 1996

**AUDITORS' REPORT TO THE MEMBERS OF
HELP THE AGED (MAIL ORDER) LIMITED**

We have audited the financial statements on pages 4 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 2 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 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 30th April 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hays Allan
Chartered Accountants
Registered Auditors

Southampton House
317 High Holborn
London
WC1V 7NL

25th July 1996

HELP THE AGED (MAIL ORDER) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH APRIL 1996**

	Note	£	1996 £	£	1995 £
TURNOVER	2		2,532,271		2,818,964
Cost of sales			1,285,425		1,263,444
GROSS PROFIT			<u>1,246,846</u>		<u>1,555,520</u>
Distribution costs		1,037,439		1,295,586	
Administration costs		472,189		466,086	
		<u> </u>	1,509,628	<u> </u>	1,761,672
OPERATING LOSS	5		<u>(262,782)</u>		<u>(206,152)</u>
Other income	3		154,114		138,273
LOSS ON ORDINARY ACTIVITIES			<u>(108,668)</u>		<u>(67,879)</u>
Deed of covenant			-		8,891
LOSS FOR THE YEAR			<u><u>£(108,668)</u></u>		<u><u>£(58,988)</u></u>

Turnover and operating loss are wholly derived from continuing activities.

All recognised gains and losses are included in the profit and loss account.

A separate movement of shareholders' funds statement is not provided as there are no changes for the current or previous year other than the retained loss in the profit and loss account.

HELP THE AGED (MAIL ORDER) LIMITED

BALANCE SHEET

AT 30TH APRIL 1996

	Note	£	1996 £	£	1995 £
FIXED ASSETS					
Tangible assets	6		34,649		46,199
Investment	7		100		100
			<u>34,749</u>		<u>46,299</u>
CURRENT ASSETS					
Stock	8	126,035		213,751	
Debtors: Amounts falling due within one year	9	123,287		116,992	
Debtors: Amounts falling due after more than one year	9	250,000		150,000	
Cash at bank, building societies and in hand		2,290,499		2,567,194	
		<u>2,789,821</u>		<u>3,047,937</u>	
CREDITORS: Amounts falling due within one year	10	294,978		333,285	
NET CURRENT ASSETS			2,494,843		2,714,652
			<u>2,529,592</u>		<u>2,760,951</u>
CREDITORS: Amounts falling due after more than one year	11		2,632,948		2,755,639
			<u>£(103,356)</u>		<u>£5,312</u>
CAPITAL AND RESERVES					
Called up share capital	12		67,100		67,100
Profit and loss account (deficit)	13		(170,456)		(61,788)
Equity shareholders' funds			<u>£(103,356)</u>		<u>£5,312</u>

Approved on behalf of the board on 25th July 1996.

E.J. Mayo - Director

S.D. Burgess - Director

HELP THE AGED (MAIL ORDER) LIMITED**CASHFLOW STATEMENT****FOR THE YEAR ENDED 30TH APRIL 1996**

	Note	1996 £	1995 £
Net cash outflow from operating activities	14	(430,809)	(436,501)
Returns on investment and servicing of finance			
Interest received		154,114	138,273
Investing activities			
Cash outflow from purchase of fixed assets		-	(9,382)
Decrease in cash and cash equivalents	15	<u>£(276,695)</u>	<u>£(307,610)</u>

HELP THE AGED (MAIL ORDER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 1996

1. ACCOUNTING POLICIES

a) Accounting basis

The financial statements have been prepared on the historical cost basis and in accordance with applicable accounting standards.

b) Depreciation

Fixed assets are depreciated at rates calculated to write off the cost of the assets over their estimated useful life as follows:

Fixtures and fittings	- 25% reducing balance
Computer equipment	- 25% reducing balance

c) Stock

Stock of finished goods has been valued at the lower of cost and net realisable value.

d) Leased assets

Operating lease rentals are charged to the profit and loss account as incurred.

2. TURNOVER

	1996 £	1995 £
Sales of Christmas cards, commodities and novelties	2,409,590	2,695,212
Supply of fuel and power	122,681	123,752
	<u>£2,532,271</u>	<u>£2,818,964</u>

3. OTHER

Interest receivable	<u>£154,114</u>	<u>£138,273</u>
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4. STAFF NUMBERS AND COSTS

Other than the directors who received no emoluments, no staff are directly employed.

5. OPERATING LOSS

This is stated after charging:

Depreciation	11,550	15,399
Auditors' remuneration	3,000	3,000
Rentals paid under operating leases	27,900	25,238
	<u> </u>	<u> </u>

HELP THE AGED (MAIL ORDER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH APRIL 1996

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures and fittings £	Total £
COST			
At 1st May 1995	107,594	46,767	154,361
Additions	-	-	-
At 30th April 1996	107,594	46,767	154,361
DEPRECIATION			
At 1st May 1995	72,806	35,356	108,162
Charge for the year	8,697	2,853	11,550
At 30th April 1996	81,503	38,209	119,712
NET BOOK VALUE			
At 30th April 1996	£26,091	£8,558	£34,649
At 30th April 1995	£34,788	£11,411	£46,199

7. INVESTMENT

The investment represents the cost of 100 ordinary shares of £1 each in Charity Lotteries Limited a wholly owned subsidiary undertaking registered and incorporated in England.

Charity Lotteries Limited has been dormant during the year. Consolidated accounts have not been prepared as in the directors opinion the subsidiary is not material.

8. STOCK

	1996 £	1995 £
Goods for resale	£126,035	£213,751

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Other debtors	85,630	79,002
Income tax recoverable	32,490	32,490
Prepayments	5,167	5,500
	£123,287	£116,992

DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Amount due from group undertaking	£250,000	£150,000
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The amount due from group undertaking is a loan to the company's fellow subsidiary Help The Aged Trading Limited. The loan is repayable on demand but it is the intention of both parties that the loan shall remain outstanding until such time as the company shall reasonably be able to repay the loan or until 31st December 1999, whichever is the sooner. The loan bears interest at a variable interest rate. At the 30th April 1996 this rate was 8% per annum.

HELP THE AGED (MAIL ORDER) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 30TH APRIL 1996**

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1996 £	1995 £
Trade creditors	62,013	87,571
Amount due to group undertakings	19,791	9,608
Accruals and deferred income	131,514	179,898
VAT payable	81,660	56,208
	<u>£294,978</u>	<u>£333,285</u>
11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Accruals and deferred income	<u>£2,632,948</u>	<u>£2,755,639</u>
12. SHARE CAPITAL		
Authorised, issued and fully paid: 67,100 £1 ordinary shares	<u>£67,100</u>	<u>£67,100</u>
13. PROFIT AND LOSS ACCOUNT		
Balance at 1st May 1995	(61,788)	(2,800)
Loss for the year	(108,668)	(58,988)
Balance at 30th April 1996	<u>£(170,456)</u>	<u>£(61,788)</u>
14. NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
Loss for the year	(108,668)	(58,988)
Other income	(154,114)	(138,273)
Depreciation charge	11,550	15,399
Decrease/(increase) in stock	87,716	(115,320)
Increase in debtors	(106,295)	(142,147)
(Decrease)/increase in creditors	(160,998)	2,828
	<u>£(430,809)</u>	<u>£(436,501)</u>

HELP THE AGED (MAIL ORDER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH APRIL 1996

15. ANALYSIS OF CASH AS SHOWN IN BALANCE SHEET

**Cash at
bank and
in hand
£**

Balance at 1st May 1995

2,567,194

Change in year

(276,695)

Balance at 30th April 1996

£2,290,499

16. OPERATING LEASE COMMITMENTS

1996

1995

£

£

Operating lease commitments payable
in the following year are:

Lease expiring between one and five years

£ -

£25,500

17. PARENT UNDERTAKING

The parent undertaking is Help The Aged whose accounts are available to the public from Companies House Registration Office, Companies House, Crown Way, Cardiff on payment of the appropriate fee.

HELP THE AGED (MAIL ORDER) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH APRIL 1996

	1996		1995	
	£	£	£	£
Sales		2,532,271		2,818,964
Cost of Sales:				
Opening stock	213,751		98,431	
Purchases	1,197,709		1,378,764	
	<u>1,411,460</u>		<u>1,477,195</u>	
Closing stock	126,035		213,751	
		<u>1,285,425</u>		<u>1,263,444</u>
Gross Profit		<u>1,246,846</u>		<u>1,555,520</u>
Interest receivable		154,114		138,273
		<u>1,400,960</u>		<u>1,693,793</u>
Promotion and distribution expenses		1,037,439		1,295,586
Administration expenses:				
Computer costs	20,775		31,135	
Miscellaneous	4,446		2,399	
Occupancy	52,038		56,959	
Salaries	333,778		276,612	
Stationery	13,567		12,061	
Car and travel expenses	5,837		3,916	
Telephone	7,333		4,664	
		<u>437,774</u>		<u>387,746</u>
Financial expenses:				
Audit, accountancy and taxation	8,700		14,675	
Legal and professional fees	(12,261)		15,873	
Bank charges	26,426		32,393	
Depreciation	11,550		15,399	
		<u>34,415</u>		<u>78,340</u>
Net loss before taxation and deed of covenant		<u>£(108,668)</u>		<u>£(67,879)</u>