

THE TELECOTTAGE ASSOCIATION

FINANCIAL STATEMENTS

31 AUGUST 1997

Registered number: 2794823

ALAN EVANS & CO

CHARTERED ACCOUNTANTS

GLOUCESTER



THE TELECOTTAGE ASSOCIATION
FINANCIAL STATEMENTS
for the year ended 31 August 1997

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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THE TELECOTTAGE ASSOCIATION

COMPANY INFORMATION

31 August 1997

NUMBER	2794823
DIRECTORS	A P Denbigh V C Bendelow S J Brooks A C Dobbs J F Lakeman P R Moindrot B E Zawisza S McCaffrey R D Guthrie B Higton
SECRETARY	A P Denbigh
REGISTERED OFFICE	The Other Cottage Shortwood Nailsworth GLOS GL6 0SH
BANKERS	The Co-operative Bank plc
AUDITORS	Alan Evans & Co Chartered Accountants 2 The Parade Court Road Brockworth GLOUCESTER

THE TELECOTTAGE ASSOCIATION**DIRECTORS' REPORT****31 August 1997**

The directors present their report and the audited financial statements for the year ended 31 August 1997.

Principal activity

The principal activity of the company was that of promoting computer teleworking, particularly through the development of telecottages in rural areas. The company is limited by guarantee.

Directors

The directors of the company during the year were as follows:

A P Denbigh
V C Bendelow
S J Brooks
A C Dobbs
J F Lakeman
P R Moindrot
B E Zawisza
S McCaffrey
R D Guthrie
B Higon

Auditors

Alan Evans & Co have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


A P Denbigh
Secretary

23 June 1998

The Other Cottage
Shortwood
Nailsworth
GLOS GL6 0SH

THE TELECOTTAGE ASSOCIATION

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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

On behalf of the board



A P Denbigh
Director

23 June 1998

THE TELECOTTAGE ASSOCIATION**AUDITORS' REPORT**

Auditors' report to the members of

The Telecottage Association

We have audited the financial statements on pages 5 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 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, 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 error or other irregularity. 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 August 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Alan Evans & Co
Registered Auditors
Chartered Accountants
GLOUCESTER

Date: 23 June 1998

THE TELECOTTAGE ASSOCIATION

PROFIT AND LOSS ACCOUNT

for the year ended 31 August 1997

	Note	1997 £	1996 £
Turnover	2	188,713	143,739
Cost of sales		(6,920)	(759)
Gross profit		181,793	142,980
Net operating expenses			
Administrative expenses		(142,612)	(132,819)
Operating profit	3	39,181	10,161
Investment income	5	1,223	1,149
Profit on ordinary activities before taxation		40,404	11,310
Taxation	6	(670)	(282)
Profit on ordinary activities after taxation		39,734	11,028
retained for the year	11		

Movements in reserves are shown in note 11.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

THE TELECOTTAGE ASSOCIATION

BALANCE SHEET

at 31 August 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	7	4,646	1,075
Current assets			
Debtors	8	19,029	13,645
Cash at bank and in hand		58,769	32,979
		<u>77,798</u>	<u>46,624</u>
Creditors: amounts falling due within one year	9	(38,268)	(43,256)
Net current assets		<u>39,530</u>	<u>3,368</u>
Total assets less current liabilities		<u>44,176</u>	<u>4,443</u>
Capital and reserves			
Profit and loss account	11	<u>44,176</u>	<u>4,443</u>
Total shareholders' funds	10	<u>44,176</u>	<u>4,443</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 10 were approved by the board of directors on 23/6/98 and signed on its behalf by:


A P Denbigh
Director

THE TELECOTTAGE ASSOCIATION

NOTES ON FINANCIAL STATEMENTS

31 August 1997

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

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

Plant and machinery	25% straight line
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Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Sponsorship income

Sponsorship income is credited to the profit and loss account on an accruals basis.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1996 nil)

3 Operating profit

	1997 £	1996 £
Operating profit is stated after charging		
Auditors' remuneration	1,600	1,550
Depreciation of tangible fixed assets (note 7)		
owned assets	1,929	554

THE TELECOTTAGE ASSOCIATION

NOTES ON FINANCIAL STATEMENTS

31 August 1997

4 Directors

	1997 £	1996 £
Directors' emoluments	<u>34,421</u>	<u>32,892</u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,421 (1996 £1,877).

5 Investment income

	1997 £	1996 £
Interest receivable	<u>1,223</u>	<u>1,149</u>

6 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 21/24% (1996 24/25%)	<u>670</u>	<u>282</u>

7 Tangible fixed assets

	Plant and Machinery etc £
Cost	
1 September 1996	2,217
Additions	<u>5,500</u>
31 August 1997	<u>7,717</u>
Depreciation	
1 September 1996	1,142
Charge for year	<u>1,929</u>
31 August 1997	<u>3,071</u>
Net book amount	
31 August 1997	<u>4,646</u>
1 September 1996	<u>1,075</u>

THE TELECOTTAGE ASSOCIATION

NOTES ON FINANCIAL STATEMENTS

31 August 1997

8 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	17,160	13,645
Other debtors	1,869	-
	<u>19,029</u>	<u>13,645</u>

9 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	1,994	5,191
Corporation tax	670	282
Other taxation and social security	1,039	1,918
Other creditors	34,565	35,865
	<u>38,268</u>	<u>43,256</u>

10 Reconciliation of movements in members' funds

	1997 £	1996 £
Profit for the financial year representing a Net addition to members' funds	39,734	11,028
Opening members' funds	4,442	(6,585)
Closing members' funds	<u>44,176</u>	<u>4,443</u>

11 Profit and loss account

	1997 £
1 September 1996	4,442
Retained profit for the year	<u>39,734</u>
31 August 1997	<u>44,176</u>

12 Contingent liabilities

There were no contingent liabilities at 31 August 1997 or 31 August 1996.

13 Capital commitments

There were no capital commitments at 31 August 1997 or 31 August 1996.