

THE TELECOTTAGE ASSOCIATION

FINANCIAL STATEMENTS

31 AUGUST 1996

Registered number: 2794823



ALAN EVANS & CO

CHARTERED ACCOUNTANTS

**Brockworth
GLOUCESTER**

THE TELECOTTAGE ASSOCIATION

FINANCIAL STATEMENTS

for the year ended 31 August 1996

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The following page does not form part of the statutory accounts

~~Detailed trading and profit
and loss account~~

~~Appendix 1~~

THE TELECOTTAGE ASSOCIATION

COMPANY INFORMATION

31 August 1996

NUMBER	2794823
DIRECTORS	A P Denbigh V C Bendelow S J Brooks A C Dobbs J F Lakeman P R Moindros B E Zawisza S McCaffrey R Guthrie B Highton
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 1996**

The directors present their report and the audited financial statements for the year ended 31 August 1996.

Principal activity

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

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 Moindros
B E Zawisza
S McCaffrey
R Guthrie

Mr B Highton was appointed to the Board on 9 November 1996.

Auditors

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

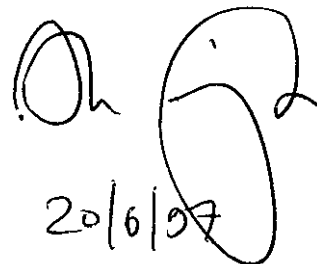
Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the board

A P Denbigh
Secretary

The Other Cottage
Shortwood
Nailsworth
GLOS GL6 0SH



20/6/97

THE TELECOTTAGE ASSOCIATION**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

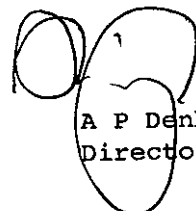
We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board



A P Denbigh
Director

20/6/97

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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

 23/06/97.

Alan Evans & Co
Registered Auditors
Chartered Accountants
GLOUCESTER

THE TELECOTTAGE ASSOCIATION

PROFIT AND LOSS ACCOUNT

for the year ended 31 August 1996

	Note	1996 £	1995 £
Turnover	2	143,739	123,186
Net operating expenses			
Administrative expenses		(133,578)	(130,577)
Operating profit/(loss)	3	10,161	(7,391)
Investment income	5	1,149	1,392
Interest payable	6	-	(10)
Profit/(loss) on ordinary activities before taxation		11,310	(6,009)
Taxation	7	(282)	(347)
Profit/(loss) on ordinary activities after taxation		11,028	(6,356)
retained for the year	12		

Movements in reserves are shown in note 12.

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

There are no recognised gains and losses in 1996 or 1995 other than the profit/(loss) for the year.

THE TELECOTTAGE ASSOCIATION

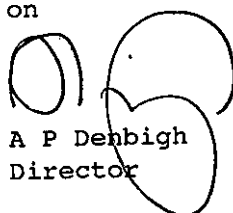
BALANCE SHEET

at 31 August 1996

	Note	1996 £	1995 £
Fixed assets			
Tangible assets	8	1,075	1,504
Current assets			
Debtors	9	13,645	4,600
Cash at bank and in hand		32,979	27,870
		<u>46,624</u>	<u>32,470</u>
Creditors: amounts falling due within one year	10	<u>(43,256)</u>	<u>(40,558)</u>
Net current assets/(liabilities)		<u>3,368</u>	<u>(8,088)</u>
Total assets less current liabilities		<u><u>4,443</u></u>	<u><u>(6,584)</u></u>
Capital and reserves			
Profit and loss account	12	<u>4,443</u>	<u>(6,584)</u>
Total members' funds	11	<u><u>4,443</u></u>	<u><u>(6,584)</u></u>

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

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


A P Denbigh
Director

20/6/97

THE TELECOTTAGE ASSOCIATION

NOTES ON FINANCIAL STATEMENTS

31 August 1996

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 is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

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.

Grants

Grant assistance of a revenue nature is credited to the profit and loss account in the same period as the related expenditure.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1995 nil)

3 Operating profit/(loss)

	1996 £	1995 £
Operating profit/(loss) is stated after charging		
Auditors' remuneration	1,550	1,500
	<hr/>	<hr/>
Depreciation of tangible fixed assets (note 8)		
owned assets	554	501
	<hr/>	<hr/>

THE TELECOTTAGE ASSOCIATION

NOTES ON FINANCIAL STATEMENTS

31 August 1996

4 Directors

	1996 £	1995 £
Directors' emoluments	<u>32,892</u>	<u>33,536</u>

Pension costs

Defined contribution 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 £1,877 (1995 £4,536).

5 Investment income

	1996 £	1995 £
Interest receivable	<u>1,149</u>	<u>1,392</u>

6 Interest payable

	1996 £	1995 £
Interest payable	<u>-</u>	<u>10</u>

7 Taxation

	1996 £	1995 £
Corporation tax on interest received at 24/25% (1995 25%)	<u>282</u>	<u>347</u>

THE TELECOTTAGE ASSOCIATION
NOTES ON FINANCIAL STATEMENTS

31 August 1996

8 Tangible fixed assets

	Plant and Machinery etc £
Cost	
1 September 1995	2,092
Additions	125
	<hr/>
31 August 1996	2,217
	<hr/>
Depreciation	
1 September 1995	588
Charge for year	554
	<hr/>
31 August 1996	1,142
	<hr/>
Net book amount	
31 August 1996	1,075
	<hr/> <hr/>
1 September 1995	1,504
	<hr/> <hr/>

9 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	13,645	3,459
Other debtors	-	1,141
	<hr/>	<hr/>
	13,645	4,600
	<hr/> <hr/>	<hr/> <hr/>

10 Creditors: amounts falling due within one year

	1996 £	1995 £
Trade creditors	5,191	8,695
Corporation tax	282	347
Other taxation and social security	1,918	-
Accruals and deferred income	35,865	31,516
	<hr/>	<hr/>
	43,256	40,558
	<hr/> <hr/>	<hr/> <hr/>

THE TELECOTTAGE ASSOCIATION

NOTES ON FINANCIAL STATEMENTS

31 August 1996

11 Reconciliation of movements in members' funds

	1996 £	1995 £
Profit/(loss) for the financial year representing a Net addition to/(subtraction from) members' funds	11,028	(6,356)
Opening members' funds	(6,585)	(228)
Closing members' funds	<u>4,443</u>	<u>(6,584)</u>

12 Profit and loss account

	1996 £
1 September 1995	(6,585)
Retained profit for the year	<u>11,028</u>
31 August 1996	<u>4,443</u>

13 Contingent liabilities

There were no contingent liabilities at 31 August 1996 or 31 August 1995.

14 Capital commitments

There were no capital commitments at 31 August 1996 or 31 August 1995.