

ABILITYNET

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 1998

Registered Number: 1067673

Company Number: 3469653



ABILITYNET

INDEX

1. Directors and Officers
2. – 4. Directors' Report
5. Auditors' Report
6. Statement of Financial Activities
7. Balance Sheet
8. – 9. Accounting Policies
10. – 13. Notes to the financial statements

DIRECTORS AND OFFICERS

DIRECTORS

D J Livermore (Chairman)
The British Computer Society
IBM United Kingdom Limited
The University of Birmingham
J Handby
J Aeberhard

COMPANY SECRETARY

J Maitland

REGISTERED OFFICE

Greville House
10 Jury Street
Warwick
CV34 4EW

AUDITORS

Michael Harwood & Co
Chartered Accountants
Greville House
10 Jury Street
Warwick
CV34 4EW

BANKERS

TSB
Birmingham 2 CBC
Solihull
550 Streetsbrook Road
Solihull
West Midlands
B91 1QY

DIRECTORS' REPORT

The directors submit their report and the financial statements of AbilityNet for the period ended 31 December 1998.

AbilityNet was incorporated on 21 November 1997 and began charitable activities on 1 December 1998 following transfer of the staff of the Foundation for Communication for the Disabled (FCD) and the staff and assets of the Computability Centre. The full merger will take place on 31 December 1998 with the transfer of assets from FCD.

RESULTS

The surplus for the year was £117,774

PRINCIPAL ACTIVITIES

The charity assists disabled people in the use of computer technology. It gives free information and advice. It provides education for employers, health, rehabilitation and education professionals, and voluntary organisations, on how technology can be used to help people get round their disabilities. It supplies fully adapted computer systems with the necessary training and technical support.

REVIEW OF THE BUSINESS

Preparatory work on the merger between the Foundation for Communication for the Disabled and the Computability Centre took place throughout the year, and the AbilityNet name was given increasing prominence. On 1 December 1998 the staff of the two charities were transferred to AbilityNet, and the Computability Centre assets at the same time. The financial statements for AbilityNet therefore represent one month's expenditure only. Several significant donations were received in the month in anticipation of the full merger from 1 January 1999.

DIRECTORS' REPORT

RESERVES

The company's reserves are held in different funds to reflect their restriction and purpose. The movements on their reserves are disclosed in the notes to the financial statements on pages 11 and 12.

DIRECTORS

The following directors have held office since incorporation:

IBM United Kingdom Limited
The University of Birmingham
The British Computer Society
D J Livermore
J Handby
J Aeberhard

COMPANY STATUS

The company is a registered charity (number 1067673) and a company limited by guarantee having no share capital. The directors have no interest in the company's surplus or assets and receive no remuneration.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 and 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 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.

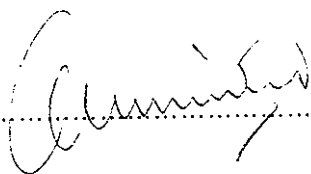
DIRECTORS' REPORT (cont)

AUDITORS

A resolution to re-appoint Michael Harwood & Co, as auditor will be put to the members at the annual general meeting.

By order of the board.

J Maitland



Secretary

13th. April 1999

AUDITORS REPORT TO THE MEMBERS OF ABILITYNET

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 8 & 9.

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.

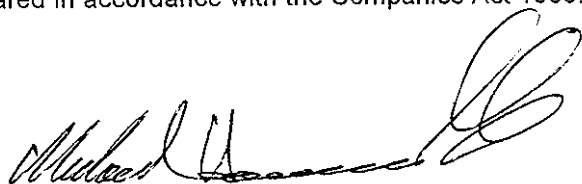
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice 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 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 December 1998 and of its surplus for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



MICHAEL HARWOOD & CO
Chartered Accountants
Registered Auditor
Greville House
10 Jury Street
Warwick
CV34 4EW

13 April 1999

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)

For the period ended 31 December 1998

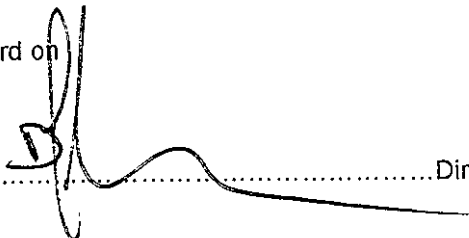
	Note	Unrestricted Funds	Restricted Funds	Total 1998
INCOMING RESOURCES				
Donations		5,015	158,000	163,015
Fees from training and consultancy		11,084	-	11,084
Interest		1,907	-	1,907
Other income		8,660	-	8,660
		<u>26,666</u>	<u>158,000</u>	<u>184,666</u>
Total incoming resources				
RESOURCES EXPENDED				
Direct Charitable Expenditure				
Equipment supply and support		7,324	-	7,324
Information, advice & awareness education		10,858	19,889	30,747
Development Projects		-	23,429	23,429
		<u>18,182</u>	<u>43,318</u>	<u>61,500</u>
OTHER EXPENDITURE				
Administration and fundraising	4	5,392	-	5,392
		<u>23,574</u>	<u>43,318</u>	<u>66,892</u>
TOTAL RESOURCES EXPENDED	3			
NET INCOMING RESOURCES for the year		3,092	114,682	117,774
Transferred from the Computability Centre		111,204	2,322	113,526
Transferred from Foundation for Communication for the Disabled		42,547	-	42,547
		<u>156,843</u>	<u>117,004</u>	<u>273,847</u>
Balances carried forward at 31 December 1998	10	<u>156,843</u>	<u>117,004</u>	<u>273,847</u>

The notes on pages 8 to 13 form part of these accounts.

The surplus for the period arises from the company's continuing operations.

No separate statement of recognised gains and losses has been prepared and all the gains and losses are disclosed in the statement of financial activities.

BALANCE SHEET
31 December 1998

	Notes	1998
FIXED ASSETS		
Tangible assets	6	6,540
CURRENT ASSETS		
Stock		33,541
Debtors and prepayments	7	110,352
Cash at bank and in hand		231,360
		<u>375,253</u>
CREDITORS		
Amounts falling due within one year	8	107,946
NET CURRENT ASSETS		<u>267,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£ 273,847</u></u>
FUNDED BY		
General Funds	9	156,843
Restricted Funds	10	117,004
Approved by the board on		
D J Livernore..... Director		<u><u>£ 273,847</u></u>

The notes on pages 8 to 13 form part of these accounts.

13th. April 1999

Financial statements for the period ended 31 December 1998

ACCOUNTING POLICIES

Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and comply with the Charity Commission's Statement of Recommended Practice on accounting by charities and all applicable accounting and financial reporting standards.

b) Incoming Resources

General donations and subscriptions are brought into account when received.

Donations and grants given for specific purposes are treated as income in the year of receipt. Unspent restricted income is included under restricted funds as it is fully committed.

Fees for training and consultancy are accounted for on an accruals basis.

c) Resources Expended

The resources expended are classified under the company's functional categories of expenditure rather than the type of expense in order to provide more useful information. The functional categories are explained in note 1(f).

Costs comprise direct expenditure including direct staff costs attributable to the activity and where costs cannot be directly attributed they are allocated to activities on a basis consistent with budgeted use of resources.

d) Operating leases

Operating lease rentals are charged to the income and expenditure account as they become due.

e) Fund accounting

General funds comprise the accumulated surplus or deficit on the income and expenditure account. They are available for use at the discretion of the board of management in furtherance of the general objectives of the charity.

Restricted funds are funds subject to specific restricted conditions imposed by donors. The purposes and use of the restricted funds are set out in note 8 to the financial statements.

Financial statements for the period ended 31 December 1998

ACCOUNTING POLICIES

f) Expenditure categories

Expenditure is allocated to one of four functional categories which reflect the specific activities of the company.

Equipment supply - The cost of providing specialised equipment to disabled individuals

Information and advice and awareness education - Enquiry service and assessments of individuals' needs along with the provision of open days, seminars and training courses

Development Projects - Costs relating to the development of new regional centres and the development of an Internet presence.

Administration & fundraising - Company administration, office services and fundraising work

g) Tangible Fixed Assets

Motor vehicles and office equipment used by the charity are capitalised and depreciated on a straight line basis over their estimated life of 4 years.

h) Stock

Stocks of equipment are valued at the lower of cost and net realisable value. Expenditure on demonstration stock is written off in the year it is incurred as the trustees consider that it has a negligible resale value.

2. CHARITABLE STATUS

The company is registered with the Charity Commissioners for England & Wales and accordingly is not liable to income tax.

NOTES TO THE FINANCIAL STATEMENTS

3. TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	1998 Total
Equipment supply	7,324	-	7,324
Information, advice & awareness education	19,889	10,858	30,747
Development Projects	6,397	17,032	23,429
Administration & Fundraising	1,047	4,345	5,392
	£ 34,657	£ 32,235	£ 66,892
	=====	=====	=====

4. CHARITY ADMINISTRATION & FUNDING

	1998
Professional fees	3,125
Staff costs	1,047
Publicity	280
Other costs	940
	£ 5,392
	=====

5. SURPLUS OF INCOME AND EXPENDITURE

This is stated after charging:

	1998 £
Auditors' remuneration	2,000
Employees	=====
Staff costs during the year amounted:	
Salaries	31,700
Social Security Costs	2,957
	£ 34,657
	=====

Average number of staff during the year: 23

No directors received any remuneration.

NOTES TO THE FINANCIAL STATEMENTS

6. TANGIBLE FIXED ASSETS

Cost	Office Equipment £	Motor Vehicle £	Total £
Transferred from Foundation for Communication for Disabled at 31 December 1998	8,611 =====	12,200 =====	20,811 =====
Accumulated Depreciation			
Transferred from Foundation for Communication for Disabled at 31 December 1998	5,121 =====	9,150 =====	14,271 =====
Net book value at 31 December 1998	3,490 =====	3,050 =====	6,540 =====

7. DEBTORS

Due within one year:

Trade debtors	99,350
Other debtors	5,547
Prepayments and accrued income	5,455

	£ 110,352
	=====

8. CREDITORS

Amounts falling due within one year:

Trade creditors	37,674
Other taxation & social security	12,113
Accruals and deferred income	58,159

	£ 107,946
	=====

ABILITYNET

Financial statements for the period ended 31 December 1998

NOTES TO THE FINANCIAL STATEMENTS

9. MOVEMENTS ON FUNDS

	Balance 1 January 1998	Movement In Year	Transfer Of funds Merger of charities	Balance 31 December 1998
1. Funds with restriction on use				
Restricted funds	-	114,682	2,322	117,004
2. Funds to meet shortfall				
General funds	-	3,092	153,751	156,843
Total Funds	£ -	£ 117,774	£ 156,073	£ 273,847

1. Amounts raised for specific projects. An analysis of restricted projects is shown in note 8.

2. Amounts available to protect future operations from shortfalls in income.

10. RESTRICTED FUNDS

	Balance 1 January 1998	Income In period	Expenditure In period	Transfers	Balance 31 December 1998
Information & advice	-	70,000	19,889	-	50,111
Development Projects	-	88,000	23,429	2,322	66,893
	£ -	£ 158,000	£ 43,318	£ 2,322	£ 117,004

Nature and purpose of funds:

The movement on the restricted funds shows the use of resources by the company on specific projects:

Information and advice – enquiry service and assessments of individual needs.

Development Projects – costs relating to the development of new regional centres and the development of an internet presence.

ABILITYNET

Financial statements for the period ended 31 December 1998

NOTES TO THE FINANCIAL STATEMENTS

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Fixed Assets	Cash	Other Net Current Assets	Total
Restricted funds	-	117,004	-	117,004
Unrestricted funds	6,540	126,059	24,244	156,843
	-----	-----	-----	-----
	£ 6,540	£ 243,063	£ 24,244	273,847
	=====	=====	=====	=====

12. TAXATION

No corporate tax has been provided for in these financial statements because income of the company, a registered charity, is within the exemptions granted by Section 505 of the Income and Corporation Taxes Act 1988. The company has borne VAT on its expenditure where appropriate.

13. On 1 December 1998 the Computability Centre, a company limited by guarantee and a registered charity ceased to trade and transferred all its net assets to AbilityNet. From 1 January 1999 the Foundation for Communication for the Disabled will also be merged with AbilityNet. The approval of the Charity Commission has been obtained.