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Charity Registration No: 1067673

Company Registration No. 3469653 (England and Wales)

**ABILITYNET**

**(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2004**



**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Directors</b>	D J Livermore U D Barnett Prof. J Hull J Searle Prof. Ann Lewis (representing University of Birmingham) D Morriss J Tabor (representing IBM UK limited) G McMullen (representing British Computer Society)
<b>Secretary</b>	S M Kennedy
<b>Charity number</b>	1067673
<b>Company number</b>	3469653
<b>Principal address</b>	PO Box 94 Warwick CV34 5WS Warwickshire
<b>Registered office</b>	Acre House 11-15 William Road London NW1 3ER
<b>Auditors</b>	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
<b>Bankers</b>	CCLA Investment Management Limited London EC2V 6DZ  Barclays Bank Plc 3 Church Street Weybridge Surrey KT13 8DD

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CONTENTS**

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	<b>Page</b>
Directors' report	1 - 4
Statement of Directors' responsibilities	5
Independent Auditors' report	6
Statement of financial activities	7
Balance sheet	8
Notes to the accounts	9 - 16

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**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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The Directors present their report and accounts for the year ended 31 December 2004.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

**Objects of the charity**

The company is a company limited by guarantee. The company's objects are to promote relief of persons with physical, sensory or mental disabilities, and to develop their physical and mental capabilities, in particular, but not exclusively, by the use of computers. In addition, the company undertakes to advance the education of the public in the use of computers in particular for people with disabilities, and to promote, undertake and disseminate the useful results of computers and associated equipment in particular, but not exclusively, for disabled persons.

The policies adopted in furtherance of these objects are to provide a comprehensive service, tailored to meet every individual's need, including:

Initial information and advice

Individual assessment of need and recommendations on assistive and adaptive technology

Configuration of specialist systems, add-ons and upgrades

Installation, training and ongoing support.

AbilityNet shares expertise with a wide range of professionals in employment, education, health, social services and the voluntary sector through professional training and consultancy. There has been no change in these policies during the year.

AbilityNet is run by the Directors, who are also directors under company law. They meet quarterly and receive monthly management reports including management accounts and activity reports from the Chief Executive.

The Chief Executive is responsible for the charity's overall day to day management. The Director of Operations manages the centre managers and each centre operates as a business unit responsible for its own budget. The senior management team of CEO, Director of Operations, Accountant and Senior Fundraiser meet monthly and all managers meet quarterly.

**Review of activities**

I am pleased to announce that 2004 has seen another year of significant growth in AbilityNet's activities and, more important, the number of disabled people who have benefited from our support. Many more people have benefited from access to AbilityNet's website and our CD-ROMs. Nonetheless with 90% of jobs now requiring IT skills and 60% of the population claiming to have had access to the internet in the last year, demand for our quality of support significantly outstrips our own capacity and moreover continues to increase dramatically. This need strengthens our resolve to seek continually new partners whose quality of service we can guarantee to our own standards with new training and accreditation processes. Our challenge remains to address the needs of the estimated 5 million IT disabled people in the UK and I am proud to say that 2004 saw substantive progress on all fronts.

At the end of 2003 AbilityNet was awarded a significant contract with University for Industry (Ufi) to support UK Online and learndirect centres across England in making their ICT facilities accessible to disabled learners. This project underpinned much of our activity in 2004, and helped both raise the charity's profile and increase revenues to £2.9m (£2.4m 2003). Our work with British Education Communications and Technology Agency (Becta) under the Communications Aid Programme (CAP) also continued throughout 2004, ensuring children with special educational needs have access to appropriate technology to overcome their difficulties and achieve more at school.

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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There were several significant developments in 2004. In July we opened our North East centre in Newcastle, hosted by Remploy. We have also further improved our ability to give rapid technical support to our home-based disabled clients, through a formal agreement with the British Computer Society backed IT Can Help Network of over 250 volunteers. Home-based users are often reliant on ICT for key everyday tasks and our alliance with the ITCH Network is designed to ensure disabled people receive the most prompt professional support when technical problems arise.

Disability Rights Commission research published in April 2004 and revealing the poor standards of usability and accessibility of websites for disabled people, also recommended going beyond automated and manual checks. In response we have recruited a nationwide network of over 50 Home Testers. These are disabled people who work with us to check that they can do everything they should be able to on the various websites we are auditing for our clients.

2004 has also seen good progress in developing an accredited training qualification for ICT Assessors with Open College Network, in line with our aim to set national quality standards and to share our expertise with other professionals to better meet the need. Accreditation modules will be piloted in summer 2005 with our own assessment team and candidates from Remploy and Becta.

Whilst the growth in activities is encouraging, the pace of technological change is relentless and accessibility inevitably lags some way behind. The ICT environment is becoming increasingly complex. The range of solutions we work with now includes palmtops and mobile phones, and many clients wish to use web cameras or other add-ons in addition to basic IT. In 2004 we supported our first clients with assistive technology that enables someone with no movement or speech to control a computer through their eye pupil movement alone. This enabled someone who had 'locked in syndrome' for 8 months following a stroke to begin to communicate with his family again. Just one example of the huge impact that technology is making every day.

The growth of Open Source software is adding another, significant dimension that is diversifying the graphic interfaces used on computers and will make it even more difficult for a non-specialist to give practical and useful advice. Several research studies (including the DRC research) have highlighted the need for information and advice for disabled people along the lines already provided by AbilityNet and lack of awareness is still an issue for us.

We will continue to work in partnership with as many organisations as possible to increase our reach in 2005 whilst offering free services to disabled people who are not in education or employment. Over 90% of jobs now require IT skills and this is still a barrier for too many of the 5 million IT disabled people in the UK.

We would like to acknowledge the enormously valued support of our major sponsors Agilent Technologies, British Telecom, Hewlett Packard, IBM UK Ltd, Microsoft and Remploy, together with Rouse & Co International/ Willoughby & Partners for their pro bono work on IP rights and TheHRGuy.com for pro bono work relating to human resources.

We would also like to give our thanks to Roger Jefcoate CBE, who agreed to become an Honorary Vice President in 2005, having supported AbilityNet since the charity first started. His generosity has enabled hundreds of disabled clients to obtain equipment, and he has also encouraged, befriended and supported numerous people when they needed it most. Lastly, and perhaps most importantly, we thank the staff at AbilityNet for their dedication, professionalism and enthusiasm.

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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**Directors**

The Directors, who are also the directors for the purpose of company law, who served during the year were:

D J Livermore

J P Aeberhard

(Resigned 25 May 2004)

U D Barnett

Prof. J Hull

J Searle

Prof. Ann Lewis (representing University of Birmingham)

D Morriss

J Tabor (representing IBM UK limited)

G McMullen (representing British Computer Society) (Appointed 20 July 2004)

None of the Directors has any beneficial interest in the company. All of the Directors are members of the company and guarantee to contribute £1 in the event of a winding up.

**Review of financial position**

During the year the Charity made an overall surplus of £23,621. Reserves at the year end totalled £344,335 of which £7,425 were restricted funds to be expended in the following year and £40,000 were designated funds.

**Reserves policy**

At 31 December 2004 unrestricted reserves (excluding fixed assets) were £289,825. The Reserves Policy is to aim towards three months of operating expense in cash reserves. Currently, free reserves do not reach this level and the Directors are considering ways of building up reserves.

**Risk factors**

The Directors have considered the risks to which the charity is exposed and have established monitoring processes to understand and mitigate those risks. Strategic and shorter-form plans are reviewed regularly and funding is obtained from a wide range of sources. Internal control procedures for control of expenditure, measurement of services and delivery and quality standards are in place.

**Asset cover for funds**

Note 14 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

**Related parties**

David Livermore is a member of the Worshipful Company of Information Technologists.

David Morriss is a trustee of the British Computer Society and member of and donor to the Worshipful Company of Information Technologists

Prof Ann Lewis is a Council Member of BILD

Prof John Hull is Patron of Church Action on Disability and Birmingham Focus on Blindness.

Jane Tabor is an employee of IBM UK Ltd.

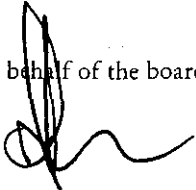
**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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**Auditors**

H W Fisher & Company were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

On behalf of the board of Directors



DJ Livermore

Director

Dated: .....

12 May 2005

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, 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 accounts 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 charitable company and to enable them to ensure that the accounts 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.



**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF ABILITYNET**

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We have audited the accounts of AbilityNet for the year ended 31 December 2004 set out on pages 7 to 16. These accounts have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and auditors**

As described on page 5, the Directors, who are also the directors of AbilityNet for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Directors' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Directors' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable 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 as to whether the accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 December 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*H W Fisher & Company*

H W Fisher & Company

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London

NW1 3ER

Dated: 20/5/05

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2004 £	Total 2003 £
<b><u>Incoming resources</u></b>						
Donations	2	442,014	-	245,239	687,253	567,295
Activities in furtherance of the charity's objects	3	1,905,982	-	336,813	2,242,795	1,821,876
Investment income	4	6,990	-	-	6,990	6,089
<b>Total incoming resources</b>		<b>2,354,986</b>	<b>-</b>	<b>582,052</b>	<b>2,937,038</b>	<b>2,395,260</b>
<b><u>Resources expended</u></b>						
Fundraising and publicity costs		108,020	-	-	108,020	44,555
<b><u>Charitable expenditure</u></b>						
Equipment supply and educational products		792,978	-	42,726	835,704	756,380
Information, advice and support		389,665	-	-	389,665	333,553
Individual assessments		452,922	-	236,888	689,810	649,236
Education, training and consultancy		308,583	-	366,013	674,596	445,027
Development projects		90,642	-	-	90,642	53,139
Management and administration		124,980	-	-	124,980	176,432
<b>Total resources expended</b>	5	<b>2,267,790</b>	<b>-</b>	<b>645,627</b>	<b>2,913,417</b>	<b>2,458,322</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>87,196</b>	<b>-</b>	<b>(63,575)</b>	<b>23,621</b>	<b>(63,062)</b>
Transfers between funds	8	(40,000)	40,000	-	-	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>47,196</b>	<b>40,000</b>	<b>(63,575)</b>	<b>23,621</b>	<b>(63,062)</b>
Fund balances at 1 January 2004		249,714	-	71,000	320,714	383,776
<b>Fund balances at 31 December 2004</b>		<b>296,910</b>	<b>40,000</b>	<b>7,425</b>	<b>344,335</b>	<b>320,714</b>

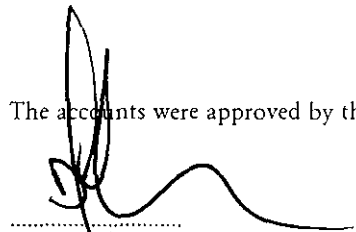
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2004**

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Tangible assets	9		7,085		12,084
<b>Current assets</b>					
Stocks	10	43,136		50,112	
Debtors	11	215,818		206,107	
Cash at bank and in hand		265,343		222,417	
		524,297		478,636	
<b>Creditors: amounts falling due within one year</b>	12	(187,047)		(170,006)	
<b>Net current assets</b>			337,250		308,630
<b>Total assets less current liabilities</b>			344,335		320,714
<b>Income funds</b>					
Restricted funds	13		7,425		71,000
<u>Unrestricted funds:</u>					
Designated funds:					
Promotional materials		20,000		-	
Office refurbishment		5,000		-	
Recruitment		15,000		-	
			40,000		-
<b>Other charitable funds</b>			296,910		249,714
			344,335		320,714

The accounts were approved by the Board on

*17th May 2005*

  
D J Livesmore  
Director

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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**1 Accounting policies**

**1.1 Basis of preparation**

The accounts are prepared under the historical cost convention. The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

**1.2 Incoming resources**

Donations and grants are accounted for when receivable. Fees for training and consultancy and income from supply of equipment are accounted for when receivable. Gifts and services in kind are included at a reasonable estimate of their gross value to the Charity. Intangible income (such as rent free accommodation) is included in the Statement of Financial Activities where a third party is bearing the cost of supplying the resources and the resources can be valued.

**1.3 Resources expended**

Costs comprise direct expenditure including staff costs attributable to the activity and where costs cannot be directly attributed they are allocated to activities on a basis consistent with the time spent on the various departments.

Expenditure is allocated to one of seven functional categories that reflect the specific activities of the company.

- Equipment supply and educational products - The cost of providing specialised equipment to disabled individuals and public access centres.
- Information, advice and support - Enquiry service, extensive web resources and open days providing awareness of alternative technology and the adaptations that are available, together with ongoing support for home-based client.
- Individual assessments - Assessments of individual needs at work, in education and at home, along with provision of one to one training and ongoing support.
- Education, training and consultancy - Courses and seminars providing education for employers and disability professionals in awareness of the available technology and adaptations.
- Development projects - Costs relating to development of educational products.
- Management and administration includes costs attributable to the management of the charity's assets, administration of the charity and compliance with statutory requirements along with costs of managing charitable projects.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	On a straight line basis over their estimated life of 4 years
Motor vehicles	On a straight line basis over their estimated life of 4 years

**1.5 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

**1.6 Stock**

Stocks of equipment are valued at the lower of costs 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.

**1.7 Pensions**

The pension costs charged in the accounts represent the contributions payable by the company during the year in accordance with SSAP 24.

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**1 Accounting Policies**

**(continued)**

**1.8 Accumulated funds**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the Directors for specific purposes.

**1.9 Comparative figures**

The comparative figures for 2003 have been amended to reflect the inclusion of gifts and services in kind. Incoming resources and resources expended have been increased by £252,000.

**1.10 AbilityNet York Centre**

The financial statements do not consolidate the results of the "AbilityNet York" Centre. This centre uses the AbilityNet name and is managed by the College of Ripon St John, a separate partner organisation, working under a formal agreement with AbilityNet.

**2 Donations**

	Unrestricted funds £	Restricted funds £	Total 2004 £	Total 2003 £
Donations and gifts	442,014	245,239	687,253	567,295
Donations and gifts				
Unrestricted funds:				
Donations and gifts			83,334	193,795
Intangible income			358,680	252,000
			442,014	445,795

Intangible income comprises primarily free office facilities and services as well as equipment and some seconded staff.

Grants of over £10,000 were received in 2004 from:

Blatchington Court Trust, Cable and Wireless, Community Foundation North East, Eveson Charitable Trust, Disability Aid Fund, Dixons Foundation, Esmee Fairbairn Foundation, Garfield Weston, IBM, Henry Smith's Charity, Lloyds TSB, Northern Rock Foundation, Robertson Trust, Rank Foundation, Roald Dahl Foundation.

Deferred income carried forward at 31 December 2004 is £19,667. There was no deferred income brought forward at 1 January 2004.

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**3 Activities in furtherance of the charity's objects**

	Unrestricted funds £	Restricted funds £	Total 2004 £	Total 2003 £
Statutory funding	325,374	-	325,374	310,122
Fees from services provided	743,757	-	743,757	558,763
Fees from contracts	-	336,813	336,813	203,322
Equipment supply and educational products	836,851	-	836,851	749,669
	<u>1,905,982</u>	<u>336,813</u>	<u>2,242,795</u>	<u>1,821,876</u>

The statutory funding was received from the British Educational Communications and Technology Agency (BECTA).

**4 Investment income**

	2004 £	2003 £
Interest receivable	<u>6,990</u>	<u>6,089</u>

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**5 Total resources expended**

	Staff costs £	Depreciation £	Other costs £	Total 2004 £	Total 2003 £
Costs of generating funds:					
Fundraising and publicity	58,514	200	49,306	108,020	44,555
Charitable expenditure:					
Equipment supply and educational products	153,600	525	681,579	835,704	756,380
Information, advice and support	225,280	769	163,616	389,665	333,553
Individual assessments	449,097	1,534	239,179	689,810	649,236
Education, training and consultancy	471,040	1,609	201,947	674,596	445,027
Development projects	26,331	90	64,221	90,642	53,139
Management and administration	78,996	271	45,713	124,980	176,432
	<u>1,404,344</u>	<u>4,798</u>	<u>1,396,255</u>	<u>2,805,397</u>	<u>2,413,767</u>
	<u>1,462,858</u>	<u>4,998</u>	<u>1,445,561</u>	<u>2,913,417</u>	<u>2,458,322</u>

Other costs comprise:

Equipment for resale	596,266
Training & assessment costs	73,862
Fundraising	23,668
Demonstration equipment	30,692
Staff development & recruitment	26,172
Rent & rates	40,712
Telephone and postage	25,237
Motor expenses	141,343
Travel & subsistence	43,634
Printing, stationery and literature	32,596
Professional fees	37,842
Insurance	17,046
Bank charges	1,645
Bad debts	5,805
	<u>1,445,561</u>

Professional fees in other costs includes payments to the auditors of £5,750 (2003- £5,750) for audit fees and £2,100 (2003- £nil) for other services.

**6 Directors**

None of the Directors (or any persons connected with them) received any remuneration or benefits from the company during the year.

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**7 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	2004 Number	2003 Number
Charitable activities	55	50
Fundraising	2	2
Management and administration	2	2
	<u>59</u>	<u>54</u>

**Employment costs**

	2004 £	2003 £
Wages and salaries	1,308,960	1,185,673
Social security costs	127,170	87,484
Other pension costs	26,728	-
	<u>1,462,858</u>	<u>1,273,157</u>

The number of employees whose annual emoluments were £50,000 or more were:

	2004 Number	2003 Number
£50,000 to £60,000	1	1
£60,001 to £70,000	1	1
	<u>2</u>	<u>2</u>

**8 Transfers**

The transfer of £40,000 represents the setting up of the designated funds shown on the balance sheet.



**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**9 Tangible fixed assets**

	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2004 and at 31 December 2004	24,404	22,906	47,310
<b>Depreciation</b>			
At 1 January 2004	14,323	20,904	35,227
Charge for the year	2,996	2,002	4,998
At 31 December 2004	17,319	22,906	40,225
<b>Net book value</b>			
At 31 December 2004	7,085	-	7,085
At 31 December 2003	10,082	2,002	12,084

**10 Stocks**

	2004 £	2003 £
Finished goods and goods for resale	43,136	50,112

**11 Debtors**

	2004 £	2003 £
Trade debtors	214,661	201,568
Prepayments and accrued income	1,157	4,539
	215,818	206,107

**12 Creditors: amounts falling due within one year**

	2004 £	2003 £
Trade creditors	81,026	69,610
Taxes and social security costs	66,694	55,014
Other creditors	8,279	-
Accruals	31,048	45,382
	187,047	170,006

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**13 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2004	Movement in funds		Balance at 31 December 2004
	£	Incoming resources	Resources expended	£
Individual assessments and training work, regional	56,800	180,088	(236,888)	-
Equipment supply and support	-	50,151	(50,151)	-
Courses and consultancy	14,200	22,000	(28,775)	7,425
Contracts	-	329,813	(329,813)	-
	<u>71,000</u>	<u>582,052</u>	<u>(645,627)</u>	<u>7,425</u>

Individual assessments and training work, regional - work funded from grants and donations given to specific geographical area or regional centre.

Development projects - costs relating to the development of educational products.

Equipment supply - equipment funded by Children in Need and the related costs.

Courses and consultancy - Consultancy is carried out for a wide range of public and private bodies. Courses involve the provision of seminars and training courses.

Contracts - the costs of establishing and running a telephone helpline and assessments on behalf of the Employment Services.

**14 Analysis of net assets between funds**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2004 are represented by:				
Tangible fixed assets	7,085	-	-	7,085
Current assets	476,872	40,000	7,425	524,297
Creditors: amounts falling due within one year	(187,047)	-	-	(187,047)
	<u>296,910</u>	<u>40,000</u>	<u>7,425</u>	<u>344,335</u>

**ABILITYNET**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**15 Commitments under operating leases**

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004	2003	2004	2003
	£	£	£	£
Expiry date:				
Within one year	-	-	14,181	8,124
Between two and five years	19,900	18,648	29,292	34,188
	<u>19,900</u>	<u>18,648</u>	<u>43,473</u>	<u>42,312</u>

**16 Related parties**

David Livermore is a member of the of the Worshipful Company of Information Technologists.

David Morriss is a trustee of the British Computer Society and member of and donor to the Worshipful Company of Information Technologists

Prof Ann Lewis is a Council Member of BILD

Prof John Hull is Patron of Church Action on Disability and Birmingham Focus on Blindness.

Jane Tabor is an employee of IBM UK Ltd.