

ABILITYNET

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

Registered Number: 1067673

Company Number: 3469653



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ABILITYNET

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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

Lloyds TSB Bank plc
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 year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The charity assists disabled people of all ages in the use of computer technology. It provides free information and advice, education for employers and disability professionals in awareness of what technology alternatives and adaptations are available. Its staff visit disabled people in their homes, place of work or education, to assess their personal technology needs. The charity supplies fully adapted computer systems, add ons and upgrades, with the necessary training and technical support.

REVIEW OF THE BUSINESS

There was growth in demand for all services over the previous year. The number of freephone telephone and e-mail contacts grew by 15%, and together with calls into the expanding number of AbilityNet locations, totalled over 13,000 enquiries. More than 1,600 assessments, training sessions and home support visits were made. Two new regional centres were established at South Queensferry, Scotland, and in central London, making 8 centres in all now. Additional staff were recruited, including trainees, to handle the increasing demand for help from individual disabled people and organisations. Income was higher than in 1999, notably from donations and fees for professional services. The value of equipment supplied fell in line with the long-term trend of lower computer costs.

A new service to employers on accessibility of websites was started. A significant project was carried out with the Department for Education and Employment to test disability provision for their ICT Learning Centres programme.

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 page 11.

DIRECTORS

The following directors have held office during the year:

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 (number 3469653) having no share capital. The directors have no interest in the company's surplus or assets and receive no remuneration.

DIRECTORS' REPORT

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.

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

Dated: 6 April 2001

AUDITORS REPORT TO THE MEMBERS OF ABILITYNET

We have audited the financial statements on pages 5 to 12 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 7 & 8.

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.

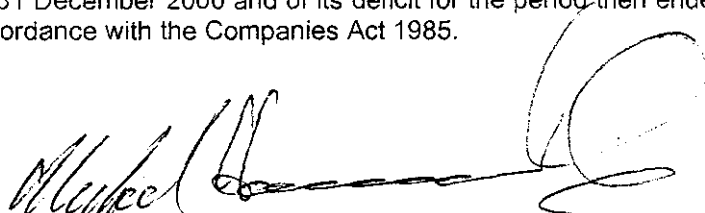
Basis of opinion

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 2000 and of its deficit 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

Dated: 6 April 2001

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

For the year ended 31 December 2000

	Note	Unrestricted Funds	Restricted Funds	Total Year to 31 December 2000	Total Year to 31 December 1999
INCOMING RESOURCES					
Donations		446,037	197,450	643,487	617,030
Fees from training and consultancy		281,343	-	281,343	181,703
Supply of equipment		580,090	-	580,090	675,822
Interest		10,352	-	10,352	10,703
		-----	-----	-----	-----
Total incoming resources		1,317,822	197,450	1,515,272	1,485,258
RESOURCES EXPENDED					
Direct Charitable Expenditure					
Equipment supply and support		614,818	-	614,818	709,305
Free information and advice		179,337	-	179,337	147,854
Individual assessments		258,075	124,150	382,225	330,544
Education, training and consultancy		116,801	57,100	173,901	122,619
Development Projects		21,292	9,550	30,842	29,623
		-----	-----	-----	-----
		1,190,323	190,800	1,381,123	1,339,945
OTHER EXPENDITURE					
Administration and fundraising	4	129,997	10,000	139,997	116,650
		-----	-----	-----	-----
TOTAL RESOURCES EXPENDED	3	1,320,320	200,800	1,521,120	1,456,595
		-----	-----	-----	-----
NET (OUTGOING)/INCOMING RESOURCES for the year		(2,498)	(3,350)	(5,848)	28,663
Transfers between funds		-	-	-	-
Balances at 1 January 2000		247,960	54,550	302,510	273,847
		-----	-----	-----	-----
Balances carried forward at 31 December 2000	9+10	£245,462	£51,200	£296,662	£ 302,510
		=====	=====	=====	=====

The notes on pages 7 to 12 form part of these accounts.

The deficit for the year 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 2000

	Notes	2000	1999
FIXED ASSETS			
Tangible assets	6	9,003	14,152
CURRENT ASSETS			
Stock		28,556	27,518
Debtors and prepayments	7	73,743	123,199
Cash at bank and in hand		287,983	229,015
		<u>390,282</u>	<u>379,732</u>
CREDITORS			
Amounts falling due within one year	8	102,623	91,374
NET CURRENT ASSETS		<u>287,659</u>	<u>288,358</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£296,662</u>	<u>£ 302,510</u>
FUNDED BY			
General Funds	9	245,462	247,960
Restricted Funds	10	51,200	54,550
Approved by the board on 6 April 2001.			
D J Livermore.....	Director	<u>£296,662</u>	<u>£302,510</u>

The notes on pages 7 to 12 form part of these accounts.

Financial statements for the year ended 31 December 2000

NOTES TO THE FINANCIAL STATEMENTS

1. **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 and income from supply of equipment 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 10 to the financial statements.

Financial statements for the year ended 31 December 2000

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

f) Expenditure categories

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

- | | | |
|-------------------------------------|---|---|
| Equipment supply | - | The cost of providing specialised equipment to disabled individuals |
| Free information and advice | - | Enquiry service and open days providing awareness of alternative technology and the adaptations that are available. |
| Individual assessments | - | Assessments of individual needs at work, in education and at home, along with the provision of seminars and training courses. |
| 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 new regional centres. |
| 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.

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

j) Unrestricted donation income of £446,037 includes £33,750 (1999 £36,250) in respect of a Department of Health section 64 grant.

k) Grants of £40,350 (1999 £53,700) were received from the National Lottery Charities Board during the year. All of this was used during the year and none is carried forward in the restricted fund balance. Total payments of £59,631 were received from the Department for Education and Employment for work carried out under the ICT Learning Centre Pathfinders contract. This is included in the Supply of Equipment and Fees income heading as unrestricted income.

NOTES TO THE FINANCIAL STATEMENTS

2. CHARITABLE STATUS

The company is registered with the Charity Commissioners for England & Wales.

3. TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	2000 Total
Equipment supply	128,942	485,876	614,818
Free information and advice	148,623	30,714	179,337
Individual assessments	250,827	131,398	382,225
Education, training and consultancy	100,980	72,921	173,901
Development Projects	5,288	25,554	30,842
Administration & Fundraising	35,586	104,411	139,997
	-----	-----	-----
	£670,246	£850,874	£1,521,120
	=====	=====	=====

4. CHARITY ADMINISTRATION & FUNDRAISING

	Year to 31 December 2000	Year to 31 December 1999
Professional fees	104,411	77,893
Staff costs	35,586	21,227
Other costs	-	17,530
	-----	-----
	£139,997	£116,650
	=====	=====

5. SURPLUS OF INCOME AND EXPENDITURE

	Year to 31 December 2000 £	Year to 31 December 1999 £
This is stated after charging:		
Auditors' remuneration	4,800	5,750
	=====	=====
Employees		
Staff costs during the year amounted:		
Salaries	613,751	471,836
Social Security Costs	56,495	40,130
	-----	-----
	£670,246	£511,966
	=====	=====
Average number of staff during the year:	34	26
No directors received any remuneration:		

NOTES TO THE FINANCIAL STATEMENTS

6. TANGIBLE FIXED ASSETS

Cost	Motor Vehicle £	Office Equipment £	Total £
At 1 January 2000 and 31 December 2000	14,900	8,727	23,627
Depreciation			
At 1 January 2000	2,172	7,303	9,475
Charge for year	3,725	1,424	5,149
At 31 December 2000	5,897	8,727	14,624
Net Book value			
At 31 December 2000	£9,003	£ -	£9,003
At 31 December 1999	£12,728	£1,424	£14,152

All fixed assets are used in the direct furtherance of the charity's objectives

7. DEBTORS

	2000	1999
Due within one year:		
Trade debtors	62,189	113,193
Other debtors	1,334	1,524
Prepayments and accrued income	10,220	8,482
	£73,743	£123,199

8. CREDITORS

Amounts falling due within one year:

Trade creditors	54,864	45,925
Other taxation & social security	18,265	14,536
Accruals and deferred income	29,494	30,913
	£102,623	£91,374

ABILITYNET

Financial statements for the year ended 31 December 2000

NOTES TO THE FINANCIAL STATEMENTS

9. MOVEMENTS ON FUNDS

	Balance 1 January 2000	Movement In Year	Balance 31 December 2000
1. Funds with restriction on use			
Restricted funds	54,550	(3,350)	51,200
2. Funds to meet shortfall			
General funds	247,960	(2,498)	245,462
Total Funds	£302,510	£(5,848)	£296,662
	=====	=====	=====

1. Amounts raised for specific projects. An analysis of restricted projects is shown in note 10.

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

10. RESTRICTED FUNDS

	Balance 1 January 2000	Income In year	Expenditure In year	Transfers	Balance 31 December 2000
Individual assessments and training work, regional	9,550	119,000	124,150	-	4,400
Development Projects	35,000	21,350	9,550	-	46,800
Fundraising Projects	10,000	-	10,000	-	-
Education, training and consultancy	-	57,100	57,100	-	-
	£54,550	£197,450	£200,800	£ -	£51,200
	=====	=====	=====	=====	=====

Nature and purpose of funds:

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

Individual assessments and training work, regional – work funded from grants and donations given for a specific geographical area or regional centre.

Development Projects – costs relating to new regional centres.

Fundraising Projects – costs relating to the generation of new funds.

Education, training and consultancy – cost of providing education for employers and disability professionals in awareness of available technology alternatives and adaptations.

The charity has adequate cash resources to meet its obligations to complete ongoing projects as illustrated in note 11 to the financial statements.

ABILITYNET
Financial statements for the year ended 31 December 2000

NOTES TO THE FINANCIAL STATEMENTS

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Fixed Assets	Cash	Other Net Current Assets	Total
Restricted funds	-	51,200	-	51,200
Unrestricted funds	9,003	236,783	(324)	245,462
	<u>£9,003</u>	<u>£287,983</u>	<u>£(324)</u>	<u>£296,662</u>
	=====	=====	=====	=====

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. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000	1999
Land and buildings:		
Expiring within one year	9,697	9,697
Expiring between 1 and 5 years	16,389	11,704
	<u>£26,086</u>	<u>£21,401</u>
	=====	=====