

**ABILITYNET**

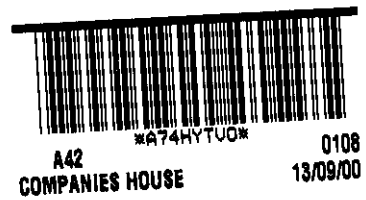
**DIRECTORS' REPORT AND**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 1999**

**Registered Number: ~~1067673~~**

**Company Number: 3469653**



**ABILITYNET**

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**DIRECTORS AND OFFICERS**

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**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**

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The directors submit their report and the financial statements of AbilityNet for the year ended 31 December 1999.

This was the first full year of the Charity's operation since the merger of the Computability Centre and the Foundation for Communication for the Disabled.

**PRINCIPAL ACTIVITIES**

The charity assists disabled people in the use of computer technology. It provides free information and advice, education for employers, health, rehabilitation and education professionals, in awareness of what technology alternatives and adaptations are available. It visits disabled people to assess their technology needs, at work, in education and at home. It supplies fully adapted personal computer systems, additions and upgrades, with the necessary training and technical support.

**REVIEW OF THE BUSINESS**

The number of people helped through all services increased over the previous year. The number of helpline enquiries grew by 30%, individual assessments, training and support home visits by 24%. More than 650 orders for hardware and software were fulfilled. An additional six staff were recruited during the year. The resulting growth in expenditure was matched by increased income, from both donations and fees earned for services supplied. It is anticipated that this growth will continue, with more and more services being supplied through regional AbilityNet centres.

**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 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' REPORT**

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**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.

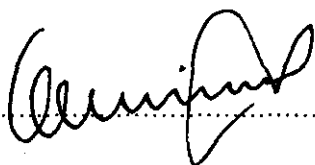
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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: 3 April 2000

## AUDITORS REPORT TO THE MEMBERS OF ABILITYNET

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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.

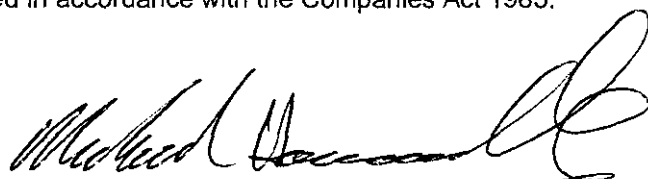
### Basis of opinion

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 1999 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

Dated: 3 April 2000

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

For the year ended 31 December 1999

	Note	Unrestricted Funds	Restricted Funds	Total Year to 31 December 1999	Total 1 month to 31 December 1998
<b>INCOMING RESOURCES</b>					
Donations		416,286	200,744	617,030	163,015
Fees from training and consultancy		181,703	-	181,703	11,084
Supply of equipment		675,822	-	675,822	1,907
Interest		10,703	-	10,703	8,660
Total incoming resources		1,284,514	200,744	1,485,258	184,666
<b>RESOURCES EXPENDED</b>					
<b>Direct Charitable Expenditure</b>					
Equipment supply and support		709,305	-	709,305	7,324
Free information and advice		147,854	-	147,854	7,564
Assessments and training		241,512	211,651	453,163	23,183
Development Projects		-	29,623	29,623	23,429
		1,098,671	241,274	1,339,945	61,500
<b>OTHER EXPENDITURE</b>					
Administration and fundraising	4	86,650	30,000	116,650	5,392
<b>TOTAL RESOURCES EXPENDED</b>	3	1,185,321	271,274	1,456,595	66,892
<b>NET INCOMING (OUTGOING) RESOURCES for the year</b>		99,193	(70,530)	28,663	117,774
Transfers between funds		(8,076)	8,076	-	-
Transferred from the Computability Centre		-	-	-	113,526
Transferred from Foundation for Communication for the Disabled		-	-	-	42,547
Balances at 1 January 1999		156,843	117,004	273,847	-
Balances carried forward at 31 December 1999	9+10	£ 247,960	£ 54,550	£ 302,510	£ 273,847

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

The surplus 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 1999**

	Notes	1999	1998
<b>FIXED ASSETS</b>			
Tangible assets	6	14,152	6,540
<b>CURRENT ASSETS</b>			
Stock		27,518	33,541
Debtors and prepayments	7	123,199	110,352
Cash at bank and in hand		229,015	231,360
		<u>379,732</u>	<u>375,253</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	91,374	107,946
<b>NET CURRENT ASSETS</b>			
		<u>288,358</u>	<u>267,307</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>£ 302,510</u>	<u>£ 273,847</u>
<b>FUNDED BY</b>			
General Funds	9	247,960	156,843
Restricted Funds	10	54,550	117,004
Approved by the board on 3 April 2000.			
D J Livermore.....	Director	<u>£302,510</u>	<u>£273,847</u>

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



Financial statements for the year ended 31 December 1999

NOTES TO THE FINANCIAL STATEMENTS

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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 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 1999

NOTES TO THE FINANCIAL STATEMENTS

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## 1. Accounting policies (continued)

## f) Expenditure categories

Expenditure is allocated to one of five 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.

Assessments and training - Assessments of individual needs at work, in education and at home, along with the provision of seminars and training courses.

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 North West" or "AbilityNet York" Centres. These centres which use the AbilityNet name are managed by separate partner organisations working under a formal agreement with Abilitynet.

j) Unrestricted donation income of £416,286 includes £36,250 (1998 £25,000) in respect of a Department of Health section 64 grant.

k) Grants of £53,700 were received from the National Lottery Charities Board during the year. None of this money is carried forward in the restricted fund balance.

## 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	1999 Total
Equipment supply	117,098	592,207	709,305
Free information and advice	116,729	31,125	147,854
Assessments and Training	250,604	202,559	453,163
Development Projects	6,308	23,315	29,623
Administration & Fundraising	21,227	95,423	116,650
	-----	-----	-----
	£511,966	£944,629	£1,456,595
	=====	=====	=====

## 4. CHARITY ADMINISTRATION &amp; FUNDRAISING

	Year to 31 December 1999	1 month to 31 December 1998
Professional fees	77,893	3,125
Staff costs	21,227	1,047
Publicity	-	280
Other costs	17,530	940
	-----	-----
	£ 116,650	£ 5,392
	=====	=====

## 5. SURPLUS OF INCOME AND EXPENDITURE

	Year to 31 December 1999 £	1 month to 31 December 1998 £
This is stated after charging:		
Auditors' remuneration	5,750	2,000
	=====	=====
Employees		
Staff costs during the year amounted:		
Salaries	471,836	31,700
Social Security Costs	40,130	2,957
	-----	-----
	£511,966	£ 34,657
	=====	=====
Average number of staff during the year:	26	23

No directors received any remuneration.

NOTES TO THE FINANCIAL STATEMENTS

6. TANGIBLE FIXED ASSETS

Cost	Office Equipment £	Motor Vehicle £	Total £
At 1 January 1999	12,200	8,611	20,811
Additions	14,900	116	15,016
Disposals	(12,200)	-	(12,200)
At 31 December 1999	14,900	8,727	23,627
Depreciation			
At 1 January 1999	9,150	5,121	14,271
Charge for year	2,172	2,182	4,354
Disposals	(9,150)	-	(9,150)
At 31 December 1999	2,172	7,303	9,475
Net Book value			
At 31 December 1999	£12,728	£1,424	£14,152
At 31 December 1998	£3,050	£3,490	£6,540

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

7. DEBTORS

	1999	1998
Due within one year:		
Trade debtors	113,193	99,350
Other debtors	1,524	5,547
Prepayments and accrued income	8,482	5,455
	£ 123,199	£ 110,352

8. CREDITORS

Amounts falling due within one year:

Trade creditors	45,925	37,674
Other taxation & social security	14,536	12,113
Accruals and deferred income	30,913	58,159
	£ 91,374	£ 107,946

**ABILITYNET**

Financial statements for the year ended 31 December 1999

**NOTES TO THE FINANCIAL STATEMENTS****9. MOVEMENTS ON FUNDS**

	Balance 1 January 1999	Movement In Year	Balance 31 December 1999
1. Funds with restriction on use			
Restricted funds	117,004	(62,454)	54,550
2. Funds to meet shortfall			
General funds	156,843	91,117	247,960
Total Funds	£ 273,847	£ 28,663	£ 302,510
	=====	=====	=====

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 1999	Income In year	Expenditure In year	Transfers	Balance 31 December 1999
Assessments and training work, regional	52,381	160,744	211,651	8,076	9,550
Development Projects	64,623	-	29,623	-	35,000
Fundraising Projects	-	40,000	30,000	-	10,000
	£117,004	£200,744	£271,274	£ 8,076	£ 54,550
	=====	=====	=====	=====	=====

## Nature and purpose of funds:

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

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.

**ABILITYNET**

Financial statements for the year ended 31 December 1999

**NOTES TO THE FINANCIAL STATEMENTS****11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed Assets	Cash	Other Net Current Assets	Total
Restricted funds	-	54,550	-	54,550
Unrestricted funds	14,152	174,465	59,343	247,960
	<u>£ 14,152</u>	<u>£229,015</u>	<u>£ 59,343</u>	<u>£302,510</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. From 1 January 1999 the Foundation for Communication for the Disabled merged with AbilityNet. The approval of the Charity Commission has been obtained.