

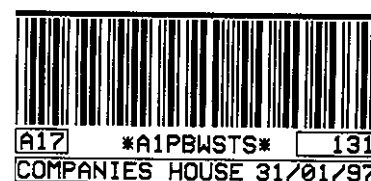
ABILITIES LIMITED

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A charitable company limited by guarantee and not having a share capital.

FINANCIAL STATEMENTS - YEAR ENDED 31 MAY 1996

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Financial Statements for the year ended 31st May 1996

COMPANY NUMBER 2500964

CHARITY NUMBER 1039255

DIRECTORS

J Lambert
I de Vere Moss
I Lambert (resigned 18.07.95)
T Biss (appointed 16.01.96)
J Eveleigh
D Rockett (appointed 16.01.96)

SECRETARY

R Cormack

REGISTERED OFFICE

Maiden Newton Railway Station
Maiden Newton
Nr Dorchester
Dorset
DT2 0AE

LEGAL ADVISORS

Humpries Kirk
40 High West Street
Dorchester
Dorset
DT1 1UR

BANKERS

Barclays Bank
10 South Street
Dorchester
Dorset
DT1 1BT

Directors' Report

The Directors present their report and the financial statements for the year ended 31st May 1996.

REVIEW OF THE BUSINESS AND THE FUTURE DEVELOPMENTS

The principal activity of the company is to provide assessment and training for people with disabilities. Specific training is tailored to the needs of both the individual trainee and prospective employer thus widening the scope of employment opportunities.

The directors are planning for continued growth during the coming year in this activity and are looking for other opportunities within their charitable objectives.

RESULTS AND DIVIDENDS

The results of the company for the year ended 31st May 1996 are set out in the financial statements on pages 4 - 11.

The surplus of £12,896 has been transferred to reserves.

FIXED ASSETS

Details of changes in fixed assets are given in note 8 to the financial statements.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1st June 1995 to the date of this report unless otherwise stated.

J Lambert	Chairman
I de Vere Moss	
T Biss	(appointed 16.01.96)
I Lambert	(resigned 18.07.95)
J Eveleigh	
D Rockett	(appointed 16.01.96)

DIRECTORS RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Preparation of Accounts

The Directors are required by the Companies Act 1985 to prepare financial statements of each financial year which gives a true and fair of the state of affairs of the whole company and of its income and expenditure for that period.

Accounting Policies

In preparing the financial statements set out on pages 4 - 11 the Directors have selected suitable accounting policies, which have been consistently applied and supported by reasonable and prudent judgements and estimates and by following those accounting standards which they consider to be applicable (subject to any material departures disclosed and explained in the accounts). The financial statements have been prepared on the going concern basis (unless it is inappropriate to presume that the company will continue in operation).

Accounting Records

The Directors have a responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the provisions of the companies Act 1985.

General Responsibility

The Directors have a general responsibility for taking such steps as are reasonable open to them to safeguard the assets of the company and to prevent and detect irregularities.

MEMBERS' LIABILITY

Under the conditions of the guarantee, the members' liability is restricted to a maximum of £1 each.

Approved by the board on 17/10/96 and signed on its behalf by:-

A handwritten signature in black ink, appearing to read 'R Cormack', written in a cursive style.

R Cormack
Secretary

**Income and Expenditure Account
for the year ended 31st May 1996**

	Notes	1996	1995
INCOME	2	26,405	22,465
Cost of generating income			
GROSS SURPLUS		<u>26,405</u>	<u>22,465</u>
Administrative expenses		(34,013)	(31,262)
Other operating income	3	<u>20,124</u>	<u>6,216</u>
OPERATING SURPLUS / (DEFICIT)		12,516	(2,581)
Other interest receivable and similar income	4	<u>380</u>	<u>64</u>
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>12,896</u>	<u>(2,517)</u>
RETAINED SURPLUS / (DEFICIT) FOR THE YEAR	11	12,896	(2,517)

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3, therefore turnover and operating surplus derive entirely from continued operations.

The company has no recognised gains or losses other than the surplus for the year.

The notes on pages 7 - 11 form part of these accounts.

Balance Sheet at 31st May 1996

FIXED ASSETS	Notes	1996	1995
Tangible Assets	8	7,017	3,823
CURRENT ASSETS			
Debtors	9	9,402	1,076
Cash at bank and in hand		17,764	13,327
		27,166	14,403
CREDITORS: Amounts falling due within one year	10	(14,459)	(11,398)
NET CURRENT ASSETS			
		12,707	3,005
TOTAL ASSETS LESS CURRENT LIABILITIES			
		19,724	6,828
RESERVES			
General Fund Balance	11	19,724	6,828

For the year ended 31 May 1996 the company was entitled to exemption from the requirement to have an audit under the provisions of section 249A (1) of the Companies Act 1985. No notice has been deposited with the company under section 249B (2) of that Act requiring an audit to be carried out.

The Directors acknowledge their responsibility for:

a) Ensuring the company keeps accounting records in accordance with section 221 of the Companies Act 1985; and

b) Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its surplus for that financial year in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to accounts so far as they are applicable to the company.

Approved by the board on

and signed on its behalf by:

I de Vere Moss Director

J Lambert Director

The notes on pages 7 - 11 form part of these accounts.

Statement of Changes in Fund Balances
Year Ending 31st May 1996

	Unrestricted Funds	Restricted Funds			All funds
		Dorset County Council	Save & Prosper	European Social Fund	
Income	32,326	5,000	5,000	11,250	53,576
Indirect Expenditure	(19,430)	(1,250)	(2,083)	(11,250)	(34,013)
Direct Charitable Expenditure					0
Transferred to Accrued Income		(3,750)	(2,917)		(6,667)
Surplus for Year	12,896	0	0	0	12,896
Fund Balance at Start of Year	6,828				6,828
Fund Balance at End of Year	19,724	0	0	0	19,724

Notes to the Financial Statements
For the year ended 31st May 1996

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

a. Accounting convention

The financial statements are prepared under the historical cost convention.

b. Going concern

The accounts have been prepared on a going concern basis. This is dependent on the company obtaining sufficient donations in the year to 31st May 1997 to support its activities.

The company is also dependent on the goodwill and support of its directors, who work on a voluntary basis and are paid no remuneration.

c. Depreciation

Depreciation is calculated to write off the cost or cost less estimated residual value of fixed assets on the following bases:

Category	Rate	Basis
Computer Equipment	20% p.a.	Straight Line
Fixtures & Fittings	15% p.a.	Reducing Balance

d. Unrestricted Funds

Donations and grants given for general purposes are treated as income in the year of receipt.

e. Restricted Funds

Donations and grants given for specific purposes are treated as income in the year of receipt; amounts unspent are treated as deferred income and included under creditors.

Notes to the Financial Statements
for the year ended 31st May 1996

2	INCOME	1996 £	1995 £
	Voluntary Income	26,228	23,115
	Trading Income	177	(650)
		<u>26,405</u>	<u>22,465</u>
		=====	=====

The trading income represents the write back of a debt previously written off during the company's pre-charity days.

All of the income is to the UK market.

3	OTHER OPERATING INCOME	1996 £	1995 £
	Management Fees	280	3,836
	Employment Services / TEC Income	19,844	2,380
		<u>20,124</u>	<u>6,216</u>
		=====	=====

4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1996 £	1995 £
Bank Deposit Interest	380	64
	<u>380</u>	<u>64</u>
	=====	=====

Notes to the financial statements
for the year ended 31st May 1996

5 SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

The surplus on ordinary activities before
taxation is stated after charging:

	1996 £	1995 £
Staff costs (note 6)	17,849	12,875
Depreciation of owned tangible fixed assets	1,535	3,545

6 STAFF COSTS

	1996 £	1995 £
Wages and Salaries	15,974	11,653
Social Security costs	1,875	1,222
	<u>17,849</u>	<u>12,875</u>

	1996 Number	1995 Number
Average number of persons, including executive directors, employed by the company during the year:		
Management and administration	<u>2</u>	<u>1</u>

7 DIRECTORS

No directors' remuneration was paid during the year ended 31st
May 1996.

Notes to the Financial Statements
For the year ended 31st May 1996

8	TANGIBLE FIXED ASSETS	Fixtures and Fittings £	Computer Equipment £	Total £
	COST			
	At 1st June 1995	3,483	19,071	22,554
	Additions	1,125	3,604	4,729
	At 31st May 1996	<u>4,608</u>	<u>22,675</u>	<u>27,283</u>
		=====	=====	=====
	ACCUMULATED DEPRECIATION			
	At 1st June 1995	1,951	16,780	18,731
	Charge for the year	352	1183	1535
	at 31st May 1996	<u>2,303</u>	<u>17,963</u>	<u>20,266</u>
		=====	=====	=====
	NET BOOK VALUE			
	At 31st May 1996	<u>2,305</u>	<u>4,712</u>	<u>7,017</u>
		=====	=====	=====
	At 31st May 1995	<u>1,532</u>	<u>2,291</u>	<u>3,823</u>
		=====	=====	=====
	Depreciation Rates	15% RB	20% SL	

9	DEBTORS	1996 £	1995 £
	Amount fully due within one year		
	Trade Debtors	8,588	
	Loan to Abilities		302
	Prepayments and Accrued Income	814	774
		<u>9,402</u>	<u>1,076</u>
		=====	=====

**Notes to the Financial Statements
For the year ended 31st May 1996**

10	CREDITORS:	1996	1995
	Amounts falling due within one year	£	£
	Trade Creditors	439	150
	Other Creditors	181	181
	Accruals and deferred income	12,403	8,984
	Other Tax & Social Security	1,436	2,083
		<u>14,459</u>	<u>11,398</u>
		=====	=====
11	RESERVES	Retained Surplus	
	At 1st June 1995	6,828	9,345
	Retained Surplus / (Deficit) for the year	12,896	(2,517)
		<u>19,724</u>	<u>6,828</u>
		=====	=====

12 CONTINGENT LIABILITIES

There are no contingent liabilities at the balance sheet date nor at 31st May 1995.