

2500964.

ABILITIES LIMITED

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

FINANCIAL STATEMENTS - YEAR ENDED 31 MAY 1997

CONTENTS	PAGE
General Information	1
Report of the Directors	2-3
Income and Expenditure Account	4
Balance Sheet	5
Statement of Changes in Fund Balances	6
Notes to the Financial Statements	7-11
The following page does not form part of the statutory accounts:	
Detailed Income and Expenditure Account	12



Financial Statements for the year ended 31st May 1997

COMPANY NUMBER 2500964

CHARITY NUMBER 1039255

DIRECTORS
J Lambert
I de Vere Moss
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 1997.

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 1997 are set out in the financial statements on pages 4 - 11.

The surplus of £18939 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 1996 to the date of this report unless otherwise stated.

J Lambert	Chairman
I de Vere Moss	
T Biss	
J Eveleigh	
D Rockett	

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 21/10/97 and signed on its behalf by:-



R Cormack
Secretary

**Income and Expenditure Account
for the year ended 31st May 1997**

	Notes	1997	1996
INCOME	2	55,792	26,405
Cost of generating income			
GROSS SURPLUS		55,792	26,405
Administrative expenses		(73,806)	(34,013)
Other operating income	3	36,516	20,124
OPERATING SURPLUS / (DEFICIT)		18,502	12,516
Other interest receivable and similar income	4	437	380
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		18,939	12,896
RETAINED SURPLUS / (DEFICIT) FOR THE YEAR	11	18,939	12,896

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 1997

FIXED ASSETS	Notes	1997	1996
Tangible Assets	8	15,031	7,017
CURRENT ASSETS			
Debtors	9	10,984	9,402
Cash at bank and in hand		18,738	17,764
		29,722	27,166
CREDITORS: Amounts falling due within one year	10	(6,090)	(14,459)
NET CURRENT ASSETS			
		23,632	12,707
TOTAL ASSETS LESS CURRENT LIABILITIES		38,663	19,724
RESERVES			
General Fund Balance	11	38,663	19,724

For the year ended 31st May 1997 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:

- Ensuring the company keeps accounting records in accordance with section 221 of the Companies Act 1985; and
- 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 1997

	Unrestricted Funds	Restricted Funds			All funds	
		National Lottery	Dorset County Council	Save & Prosper	European Social Fund	
Income	40,703	5,700	33,750	2,917	11,250	94,320
Indirect Expenditure	(21,239)	(4,650)	(33,750)	(2,917)	(11,250)	(73,806)
Direct Charitable Expenditure						0
Transferred to Accrued Income	(625)	(950)				(1,575)
Surplus for Year	18,839	100	0	0	0	18,939
Fund Balance at Start of Year	19,724					19,724
Fund Balance at End of Year	38,563	100	0	0	0	38,663

Notes to the Financial Statements
For the year ended 31st May 1997

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 1998 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 1997

2	INCOME	1997 £	1996 £
	Voluntary Income	55,792	26,228
	Trading Income		177
		-----	-----
		55,792	26,405
		=====	=====

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	1997 £	1996 £
	Management Fees		280
	Employment Services / TEC Income	36,235	19,844
	Other	281	
		-----	-----
		36,516	20,124
		=====	=====

4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	1997 £	1996 £
Bank Deposit Interest	437	380
	=====	=====

Notes to the financial statements
for the year ended 31st May 1997

5 SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	1997 £	1996 £
Staff costs (note 6)	45,210	17,849
Depreciation of owned tangible fixed assets	2,927	1,535

6 STAFF COSTS

	19967 £	1996 £
Wages and Salaries	41,365	15,974
Social Security costs	3,845	1,875
	<u>45,210</u>	<u>17,849</u>
	=====	=====

Average number of persons, including executive directors, employed by the company during the year.

	1997 Number	1996 Number
Management and administration	7	2
	=====	=====

7 DIRECTORS

No directors' remuneration was paid during the year ended 31st May 1997.

Notes to the Financial Statements
For the year ended 31st May 1997

8	TANGIBLE FIXED ASSETS	Fixtures and Fittings £	Computer Equipment £	Total £
	COST			
	At 1st June 1996	4,608	22,675	27,283
	Additions	2,389	8,527	10,916
		-----	-----	-----
	At 31st May 1997	6,997	31,202	38,199
		=====	=====	=====
	ACCUMULATED DEPRECIATION			
	At 1st June 1996	2,303	17,963	20,266
	Charge for the year	571	2331	2,902
		-----	-----	-----
	at 31st May 1997	2,874	20,294	23,168
		=====	=====	=====
	NET BOOK VALUE			
	At 31st May 1997	4,123	10,908	15,031
		=====	=====	=====
	At 31st May 1996	2,305	4,712	7,017
		=====	=====	=====
	Depreciation Rates	15% RB	20% SL	

9	DEBTORS	1997 £	1996 £
	Amount fully due within one year		
	Trade Debtors	10,210	8,588
	Loan to Abilities		
	Prepayments and Accrued Income	774	814
		-----	-----
		10,984	9,402
		=====	=====

Notes to the Financial Statements
For the year ended 31st May 1997

10	CREDITORS:	1997	1996
	Amounts falling due within one year	£	£
	Trade Creditors		439
	Other Creditors		181
	Accruals and deferred income	3,005	12,403
	Other Tax & Social Security	3,085	1,436
		-----	-----
		6,090	14,459
		=====	=====
11	RESERVES	Retained Surplus	
	At 1st June 1996	19,724	6,828
	Retained Surplus for the year	18,939	12,896
		-----	-----
	At 31st May 1997	38,663	19,724
		=====	=====
12	CONTINGENT LIABILITIES		

There are no contingent liabilities at the balance sheet date nor at 31st May 1996.