

**INCLUSIVE TECHNOLOGY LIMITED**

**REPORT AND ACCOUNTS**

**31 JULY 2001**

**Company No. 3525459**

# INCLUSIVE TECHNOLOGY LIMITED

## COMPANY INFORMATION

<b>Directors</b>	M Littler P M C Hornsey R L H Bates H L Carr
<b>Secretary</b>	H L Carr
<b>Company number</b>	3525459
<b>Registered office</b>	Gatehead Business Park Delph Oldham Lancashire OL3 5BX
<b>Auditors</b>	Wheawill and Sudworth 35 Westgate Huddersfield HD1 1PA
<b>Solicitors</b>	Baxter Caulfield 13 Station Street Huddersfield HD1 1LY
<b>Bankers</b>	Barclays Bank plc 10 Market Street Bradford BD1 1XW

# **INCLUSIVE TECHNOLOGY LIMITED**

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# **INCLUSIVE TECHNOLOGY LIMITED**

## **CHAIRMAN'S REPORT**

### **FOR THE YEAR ENDED 31 JULY 2001**

It is just five years since Inclusive Technology began trading and over three years since Inclusive Technology Limited was set up as a largely owner managed company. During this period we have become a large contributor to the information technology/ assistive technology/ special educational needs market - a market that is increasingly becoming known as the "inclusive technology" market. We are now UK market leader in our field and the largest company of our type outside of the United States. I am now focusing on the United States and from 1 August 2001 Inclusive Technology Limited is to be led by its new Managing Director, Trish Hornsey.

During 2001 the company's sales of software and hardware rose by 54% to £2.8 million. We traded profitably and Inclusive Technology's operating profit rose 84% to £145,000 before tax.

Five of our eighteen employees are teachers including three of the four directors. Happily our Financial Director, Helen Carr, is not a teacher but a Chartered Accountant. Because of our teaching backgrounds, it is the educational effectiveness of what we do that give as much pleasure as its occasional commercial success. SwitchIt! Maker and ChooseIt! Maker have now vastly expanded the range of switch accessible software available to learners and older students by allowing teachers to create their own. Life skills is a best seller to older learners and an interesting example of successful cooperation between LEA (Knowsley MBC), Academic (John Moores University) and commercial interests. Meanwhile, our important commission from the Northern Grid for Learning has produced SENSwitcher, a graded programme of switch accessible activities that can actually be played online. This is a world first and is no less exciting because it is available free! You can find SENSwitcher at [northerngrid.org](http://northerngrid.org), or you can link directly from the [inclusive.co.uk](http://inclusive.co.uk) or [inclusiveTLC.com](http://inclusiveTLC.com) websites.

Inclusive Technology has a mission to promote the education and opportunities of students with special needs worldwide. Last year we sponsored the International Special Education Conference, ISEC 2000, and this year we collated the many hundreds of papers and abstracts and published them as a CD-ROM. We mailed this free of charge to two thousand special educators, many in developing countries including the one hundred countries represented by delegates to ISEC 2000. Since Inclusive Technology began in 1996, we have supported the Enabling Education Network EENET, which promotes inclusive education worldwide by providing their website [eenet.org](http://eenet.org) and the companion website [iddc.org](http://iddc.org). This year we were able to publish the substantial contents of [eenet.org](http://eenet.org), again on CD-ROM, and distribute it at our expense throughout the world. We were proud to be offered a similar opportunity by the British Dyslexia Association. The proceedings of their International BDA Conference last March were collated and published by Inclusive Technology, raising considerable additional funds for this invaluable organization. For completeness, I should mention Save The Children and Great Ormond Street Hospital where we have been able to contribute several thousands of pounds to aid their work.

However, we are a "for profit" company and I am delighted to report that our subsidiary company, Inclusive Consultancy and Training Limited (ICT), also came into profit in its second year of operation. ICT manages Special Needs IT exhibitions in London and the North of England and administers a £2.5 million programme of training for the prestigious Inclusive Consultancy and Training Syndicate (ICTS). ICTS offers training for teachers working with students who have Severe and Complex special educational needs. It is the only Severe and Complex training provider approved for all four countries of the United Kingdom.

A third Inclusive Technology group company, Inclusive TLC Inc, is just beginning to trade in the United States. As I write, our American catalog is being printed and will shortly be arriving on the desks of many of the 165,000 key US special educators we have identified. The United States has led developments in most aspects of assistive technology and many British learners have benefited from American products like IntelliKeys keyboards, AbleNet switches and Mayer-Johnson's Boardmaker. It is going to be fun to promote British assistive technology from Penny and Giles or Atkinson Vari-Tech in the United States and more fun still to offer our range of British and European software from LaraMera, Crick, Widgit and, of course, Inclusive Technology.

# **INCLUSIVE TECHNOLOGY LIMITED**

## **CHAIRMAN'S REPORT**

### **FOR THE YEAR ENDED 31 JULY 2001**

I am personally very much involved in this expansion into the United States. I am writing this introduction from my desk in New Jersey. I visited Manhattan shortly before and after the dreadful events of 11 September. I can assure you that the citizens of New York and New Jersey are very much back to business - probably the strongest and most effective response to the atrocity they have endured. I see no let up in the determination here to use technology to "include" students who face extra challenges and barriers between them and the learning and communication that we all enjoy.

I want Inclusive Technology companies on both sides of the Atlantic to share this determination and to lead and promote the use of inclusive technology worldwide.

**M Littler**

**Chairman**

23 October 2001

# **INCLUSIVE TECHNOLOGY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2001**

The directors present their report and the audited accounts for the company for the year ended 31 July 2001.

#### **Principal activities**

The company's principal activity was that of providers of educational software and hardware for people with special needs.

The main subsidiary undertaking's principal activity was that of providers of training for teachers of pupils with severe and complex special educational needs.

#### **Directors and their interests**

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

	<b>Ordinary shares</b>	
	<b>At 31 July 2001</b>	<b>At 1 August 2000</b>
M Littler	299	296
P M C Hornsey	299	296
R L H Bates	196	196
H L Carr	-	-

#### **Charitable contributions**

During the year the company made the following charitable contributions:

Sundry charitable contributions	£ 5,261
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#### **Acquisition of own shares**

On 18 June 2001 the company purchased 100 of its own ordinary shares for a cash consideration of £50,000. This transaction was undertaken to enable a shareholder to realise its investment in the company.

# **INCLUSIVE TECHNOLOGY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2001**

#### **Statement of directors' responsibilities**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

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 company and 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.

#### **Auditors**

A resolution confirming the appointment of Wheawill & Sudworth as auditors will be put to the members at the Annual General Meeting.

#### **Small company exemptions**

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

This report was approved by the board on 23 October 2001 and signed on its behalf by:

**M Littler**  
**Director**

# **AUDITORS' REPORT TO THE SHAREHOLDERS OF INCLUSIVE TECHNOLOGY LIMITED**

We have audited the accounts on pages 6 to 15 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on pages 6 and 7.

## **Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

## **Basis of opinion**

We conducted our audit in accordance with 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that 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 the information in the accounts.

## **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 July 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Wheavill and Sudworth  
Chartered Accountants and Registered Auditors**

**35 Westgate  
Huddersfield  
HD1 1PA  
23 October 2001**



# INCLUSIVE TECHNOLOGY LIMITED

## PROFIT AND LOSS ACCOUNT

### FOR THE YEAR ENDED 31 JULY 2001

	Notes	2001 £	2000 £
<b>Turnover</b>	2	<b>2,794,852</b>	1,813,079
Cost of sales		<b>(1,890,509)</b>	(1,215,759)
<b>Gross profit</b>		<b>904,343</b>	597,320
Administrative expenses		<b>(759,030)</b>	(518,258)
<b>Operating profit</b>	3	<b>145,313</b>	79,062
Income from fixed asset investments		<b>60,000</b>	-
<b>Profit on ordinary activities before interest</b>		<b>205,313</b>	79,062
Interest receivable		<b>21</b>	77
Interest payable	4	<b>(7,753)</b>	(6,449)
<b>Profit on ordinary activities before taxation</b>		<b>197,581</b>	72,690
Tax on profit on ordinary activities	6	<b>(30,914)</b>	(15,981)
<b>Profit on ordinary activities after taxation</b>		<b>166,667</b>	56,709
Dividends	7	<b>(30,000)</b>	-
<b>Retained profit for the financial year</b>	17	<b>136,667</b>	56,709

*The notes on pages 8 to 15 form part of these accounts.*

# INCLUSIVE TECHNOLOGY LIMITED

## BALANCE SHEET

AS AT 31 JULY 2001

	Notes	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	7	147,642	87,566
Investments	9	2,000	1,000
		<u>149,642</u>	<u>88,566</u>
<b>Current assets</b>			
Stocks		175,326	154,746
Debtors	11	308,352	283,521
Cash at bank and in hand		97,016	1,875
		<u>580,694</u>	<u>440,142</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(445,275)</u>	<u>(348,434)</u>
<b>Net current assets</b>		<u>135,419</u>	<u>91,708</u>
<b>Total assets less current liabilities</b>		<u>285,061</u>	<u>180,274</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(25,916)	(14,296)
<b>Provisions for liabilities and charges</b>			
Deferred taxation	15	(6,500)	-
<b>Net assets</b>		<u>252,645</u>	<u>165,978</u>
<b>Capital and reserves</b>			
Share capital	16	900	1,000
Share premium account	17	24,404	24,404
Capital redemption reserve	17	100	-
Profit and loss account	17	227,241	140,574
<b>Shareholders' funds</b>		<u>252,645</u>	<u>165,978</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

These accounts were approved by the board on 23 October 2001 and signed on its behalf by:

**M Littler**  
Director

**P M C Hornsey**  
Director

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 JULY 2001

#### 1 Accounting policies

##### Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

##### Consolidation

The accounts contain information about Inclusive Technology Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

##### Turnover

Turnover comprises the value of sales and royalties receivable excluding value added tax and trade discounts.

##### Investment income

Investment income comprises dividends and interest and is accounted for on a receivable basis.

##### Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives. The rates and periods generally applicable are:

Computer and office equipment	Three to five years
Motor vehicles	25% reducing balance
Furniture and fixtures	Five years

In the year of acquisition tangible fixed assets are depreciated from the date of acquisition.

##### Stocks

Stocks are stated at the lower of cost and net realisable value.

##### Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes.

#### 1 Accounting policies (continued)

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 JULY 2001

#### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

#### Contribution to pension funds

The company operates defined contribution pension schemes. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

#### 2 Turnover

The percentage of turnover attributable to overseas markets was 6% (2000: 6%).

#### 3 Operating profit

*The operating profit is stated after charging:*

	2001	2000
	£	£
Depreciation of tangible fixed assets:		
-owned assets	36,270	20,998
-assets held under finance leases and hire purchase contracts	7,215	7,209
Loss on disposal of fixed assets	2,367	1,102
Directors' remuneration	211,542	161,786
Auditors' remuneration	5,125	8,350
	<u>5,125</u>	<u>8,350</u>

#### 4 Interest payable and similar charges

	2001	2000
	£	£
Interest payable on bank loans and overdrafts	3,804	2,713
Finance leases and hire purchase contracts	3,949	2,197
Interest payable on other loans	-	1,539
	<u>7,753</u>	<u>6,449</u>

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 JULY 2001

#### 5 Directors' remuneration

	<b>2001</b>	<i>2000</i>
	<b>£</b>	<i>£</i>
Aggregate emoluments	<b>211,542</b>	<i>161,786</i>

Retirement benefits were accruing to directors under schemes as follows:-

	<b>Number</b>	<i>Number</i>
Defined contribution pension schemes	<b>3</b>	<i>3</i>

#### 6 Taxation

	<b>2001</b>	<i>2000</i>
	<b>£</b>	<i>£</i>
Based on the profit for the year:		
Corporation tax at 20% (2000 20%)	<b>24,500</b>	<i>9,200</i>
Group relief	<b>-</b>	<i>6,511</i>
Deferred tax charge	<b>6,500</b>	<i>-</i>
	<b>31,000</b>	<i>15,711</i>
Prior periods		
Corporation tax (over) under provided	<b>(86)</b>	<i>270</i>
	<b>30,914</b>	<i>15,981</i>

#### 7 Dividends

	<b>2001</b>	<i>2000</i>
	<b>£</b>	<i>£</i>
Ordinary dividends - proposed	<b>30,000</b>	<i>-</i>
Total equity dividends	<b>30,000</b>	<i>-</i>

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 JULY 2001

#### 8 Tangible fixed assets

	Computer and office equipment	Motor vehicles	Furniture and fixtures	Total
Cost	£	£	£	£
At 1 August 2000	60,585	64,905	14,944	140,434
Additions	36,482	42,867	44,254	123,603
Disposals	(4,356)	(36,910)	-	(41,266)
<b>At 31 July 2001</b>	<b>92,711</b>	<b>70,862</b>	<b>59,198</b>	<b>222,771</b>
<b>Depreciation</b>				
At 1 August 2000	29,277	17,498	6,093	52,868
Charge for the year	23,966	13,097	6,422	43,485
Disposals	(2,178)	(19,046)	-	(21,224)
<b>At 31 July 2001</b>	<b>51,065</b>	<b>11,549</b>	<b>12,515</b>	<b>75,129</b>
<b>Net book value</b>				
<b>At 31 July 2001</b>	<b>41,646</b>	<b>59,313</b>	<b>46,683</b>	<b>147,642</b>
<i>At 31 July 2000</i>	<i>31,308</i>	<i>47,407</i>	<i>8,851</i>	<i>87,566</i>

Assets held under finance leases and hire purchase contracts originally cost £57,867 (2000 £51,910) and have a net book value of £50,363 (2000 £35,474).

#### 9 Fixed asset investments

Cost	Shares in group undertakings £
At 1 August 2000	1,000
Additions	1,000
<b>At 31 July 2001</b>	<b>2,000</b>
<b>Net book value</b>	
<b>At 31 July 2001</b>	<b>2,000</b>
<i>At 31 July 2000</i>	<i>1,000</i>

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 JULY 2001

#### 10 Shares in group undertakings

Name of company and registered office	Details of investment	Proportion held by company	Nature of business
Inclusive Consultancy and Training Limited Gatehead Business Park Delph Oldham OL3 5BX	1,000 Ordinary £1 shares	100%	Providers of training and consultancy
Inclusive Investments Limited Gatehead Business Park Delph Oldham OL3 5BX	1,000 Ordinary £1 shares	100%	Dormant

The capital and reserves and profit or loss for the subsidiaries as at their financial period ending with the financial year of the holding company were as follows :

	Profit/(loss) for the year £	Capital and reserves £
Inclusive Consultancy and Training Limited	140,454	81,445
Inclusive Investments Limited	-	1,000

#### 11 Debtors

	2001 £	2000 £
Trade debtors	293,412	208,804
Amounts owed by subsidiary undertakings (Note 22)	-	54,559
Other debtors	121	-
Prepayments and accrued income	14,819	20,158
	<b>308,352</b>	<b>283,521</b>

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

	2001 £	2000 £
Bank loans and overdrafts	-	25,792
Obligations under hire purchase contracts and finance leases	15,695	13,458
Trade creditors	229,662	257,226
Amounts owed to subsidiary undertakings (Note 22)	73,874	-
Corporation tax	24,500	9,200
Other taxes and social security	32,210	12,607
Accruals and deferred income	39,334	30,151
Proposed dividend	30,000	-
	<b>445,275</b>	<b>348,434</b>

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 JULY 2001

<b>13</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2001</b>	<i>2000</i>
		£	£
	Obligations under hire purchase contracts and finance leases	<b>25,916</b>	<i>14,296</i>

<b>14</b>	<b>Secured indebtedness</b>	<b>2001</b>	<i>2000</i>
		£	£
	Aggregate amount of secured liabilities	<b>41,611</b>	<i>53,546</i>

#### **15** Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	<b>2001</b>	<i>2000</i>
	£	£
At 1 August 2000	-	-
Movement in the year	<b>6,500</b>	-
At 31 July 2001	<b>6,500</b>	-

Deferred taxation provided for in the accounts is set out below.

	<b>Amount provided</b>	
	<b>2001</b>	<i>2000</i>
	£	£
Accelerated capital allowances	<b>6,500</b>	-

<b>16</b>	<b>Share capital</b>	<b>2001</b>	<i>2000</i>
		£	£
	<b>Authorised</b>		
	1,000 Ordinary shares of £1.00 each	<b>1,000</b>	<i>1,000</i>
	<b>Allotted</b>		
	900 (2000 : 1000) Allotted, called up and fully paid ordinary shares of £1.00 each	<b>900</b>	<i>1,000</i>

On 18 June 2001 the company purchased 100 of its own ordinary shares for a cash consideration of £50,000. This transaction was undertaken to enable a shareholder to realise its investment in the company.



# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 JULY 2001

#### 17 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 August 1999	24,404	-	83,865
Profit for the year	-	-	56,709
At 1 August 2000	24,404	-	140,574
Retained profit for the year	-	-	136,667
Transfers between reserves	-	100	(100)
Repurchase of shares	-	-	(49,900)
<b>At 31 July 2001</b>	<b>24,404</b>	<b>100</b>	<b>227,241</b>

#### 18 Pension scheme

The company operates defined contribution pension schemes for the benefit of the employees and directors. The assets of the schemes are administered by trustees in funds independent from those of the company.

The total contributions paid in the year amounted to £21,160 (2000 £-).

#### 19 Capital commitments

The company had the following capital commitments:

	2001 £	2000 £
Contracted for but not provided in the financial statements	<b>10,995</b>	-

This expenditure is being financed by way of a new hire purchase agreement.

#### 20 Operating lease commitments

At 31 July 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	2001 £	2000 £
Operating leases which expire:		
After five years	<b>29,798</b>	-

#### 21 Contingent liabilities

The company and a subsidiary company have given cross-guarantees in relation to their bank borrowings. Such bank borrowings at 31 July 2001 amounted to £nil (2000 £25,792).

The company is a member of the Inclusive Technology Limited VAT scheme under Section 43 of the Value Added Tax Act 1994 and in consequence may be held responsible for the liabilities of other members which at 31 July 2001 totalled £23,047 (2000 £-).

# **INCLUSIVE TECHNOLOGY LIMITED**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 JULY 2001**

#### **22 Related party disclosures**

During the year the company recharged costs to Inclusive Consultancy & Training Limited, a subsidiary company, at an amount of £254,639 (2000 £87,012).

The company has traded with this subsidiary on normal commercial terms, transactions during the year amounted to sales of £34,795 (2000 £nil).

Amounts owed to Inclusive Consultancy & Training Limited at 31 July 2001 amounted to £72,874 (2000 debtor of £54,559) as disclosed in notes 10 and 11.

Amounts owed to Inclusive Investments Limited at 31 July 2001 amounted to £1,000 (2000 £nil) as disclosed in note 11.

During the year the company sold a motor vehicle to M Littler, a director, at its estimated market value of £3,500.

There is no one controlling party in relation to the company.