

**INCLUSIVE TECHNOLOGY LIMITED**

**REPORT AND ACCOUNTS**

**30 JUNE 2002**

**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 & 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	
<b>US Advisors</b>	Accountants Carr, Daley, Sullivan & Weir, PC Certified Public Accountants & Consultants 2 Shunpike Road Madison NJ 07940	Attorney Diane Gelon 8 Coldbath Square Rosebery Avenue London EC1R 5HL

# **INCLUSIVE TECHNOLOGY LIMITED**

## **CONTENTS**

	<b>Page</b>
<b>Chairman's report</b>	1 to 2
<b>Directors' report</b>	3 to 4
<b>Auditors' report</b>	5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Notes to the accounts</b>	8 to 15

# **INCLUSIVE TECHNOLOGY LIMITED**

## **CHAIRMAN'S REPORT**

### **FOR THE PERIOD ENDED 30TH JUNE 2002**

Each year more software and technology is available to help learners with special needs. More teachers now have more knowledge of what is available, and more confidence and skill in applying technology to the needs of their pupils - we have had a part in this as you will see below. This increasingly knowledgeable constituency encourages more programmers, artists and publishers to develop more and better resources.

This virtuous circle has fuelled Inclusive Technology's rapid growth in the UK and launched our parallel operation, InclusiveTLC, Inc. (ITLC) in the United States. And, through Inclusive Consultancy and Technology Limited (ICT), we have been able to contribute to the training, exchange of ideas and general buzz that makes assistive technology such a rewarding field.

This is Inclusive Technology's fourth set of accounts\* and covers an eleven month period to bring the year-end of the UK companies into line with our subsidiary in the United States. The sales figures in these accounts relate to Inclusive Technology alone and do not include ICT's £1.1 million or ITLC's revenues which are reported elsewhere.

#### **Our UK special educational needs supply business**

We are now the largest assistive technology company outside of the United States. Our core business of special needs software and assistive technology has grown strongly over the years to reach the £3.3 million reported in these accounts. After correcting for different time periods we grew by 58% from 1999 to 2000; 54% from 2000 to 2001 and 38% from 2001 to 2002. And a single order for £1.3 million, received last week, is certain to push growth back above 50% in the current year. I'm certain the acknowledged efficiency of our training and logistic operations played a part in winning this huge Government order - which is for the supply of access technology for libraries and elsewhere.

#### **New programs for severe and profound special educational needs**

Having a strong sales operation in the UK, and increasingly in the United States, has allowed us to invest much more heavily in software development. After a round of appointments of programmers, graphic artists and writers in July, we have increased the size of our development team by 60% and are currently working on nine new packages. These will begin to meet the demand we have identified for simple versatile resources to meet the severe and profound needs of some pupils, including older learners.

#### **NOF training success**

Our training and exhibitions company, ICT, has made a contribution to the group that goes well beyond their sales of £1.1 million and their profitable and efficient operation. ICT led the ICTS syndicate\*\* in providing six months of specialist training and support to more than 6,000 teachers under the New Opportunities Fund (NOF). Evaluations of the ICTS training brought high praise from the Teacher Training Agency, the Department for Education and Skills, the Welsh Assembly and the Department for Education in Northern Ireland. The ICTS syndicate is training 2% of the entire British teaching force, and almost every teacher working in Severe and Profound SEN, in England, Scotland, Wales and Northern Ireland.

Meanwhile ICT organize all three of the key UK Special Needs/Information Technology exhibitions: SpecialneedsIT, North; SpecialneedsIT, Islington; and the Special Needs Fringe at the Kensington Olympia Hotel.

# **INCLUSIVE TECHNOLOGY LIMITED**

## **CHAIRMAN'S REPORT**

### **FOR THE PERIOD ENDED 30TH JUNE 2002**

#### **Our start-up in New Jersey**

In the UK Inclusive Technology has created additional markets for some excellent American products - like those from IntelliTools, Mayer-Johnson, AbleNet or AMDi. Now our subsidiary ITLC, acting as Inclusive Technology's distributor, is finding wide markets in North America for British and Scandinavian resources (as well as being surprisingly successful at selling American products to Americans).

InclusiveTLC made a key acquisition as its first financial year ended. ITLC effectively merged with Tom Caine and Associates (TCA) - the assistive technology supplier for New Jersey. This acquisition will keep us rooted in the needs of everyday school life in an important State, while providing excellent American educational expertise to drive our operations across the whole of North America.

The acquisition needed two sets of accountants and two sets of lawyers (we needed both British and American advice). The team worked well and the whole thing was driven through by our financial director, against a timetable, and completed by the target date.

In forming our US company, we have created an energetic distributor for Inclusive Technology products and our sales to ITLC account for Inclusive Technology's export sales to the United States increasing by 700% and exports increasing overall from 7% to 11% of our UK turnover.

#### **So where to now?**

Our push into the United States was the obvious next step in finding the widest markets for good special needs resources - and the impetus to develop more resources ourselves. It is also the first step on the road to creating a worldwide community of special needs educators each applying the best resources, wherever developed, to the special needs of their students.

**Martin Littler**

**Chairman and CEO, Inclusive Group**

**1st November 2002**

\* All four sets are available on <http://www.inclusive.co.uk/accounts/accounts.shtml>

\*\* The ICTS consortium comprises: the ACE Centre; ACE North; the Advisory Unit; the CALL Centre, Edinburgh University; CENMAC; the Down's Syndrome Association; Inclusive Technology; Janet Larcher Associates; the Manchester Metropolitan University and the Royal National Institute for the Blind.

# INCLUSIVE TECHNOLOGY LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 30TH JUNE 2002

The directors present their report and the audited accounts for the company for the period ended 30 June 2002.

#### Principal activities

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

The main UK subsidiary undertaking's principal activity was that of providers of training for teachers of pupils with severe and complex special educational needs. The USA subsidiary commenced trading in the period with the same principal activity of that of the parent company.

#### Directors and their interests

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

	Ordinary shares	
	At 30th June 2002	At 1st August 2001
M Littler	299	299
P M C Hornsey	299	299
R L H Bates	196	196
H L Carr	-	-

#### Charitable contributions

During the period the company made the following charitable contributions:

Sundry charitable contributions	£ 1,411
---------------------------------	------------

#### Statement of directors' responsibilities

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

# **INCLUSIVE TECHNOLOGY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 30TH JUNE 2002**

#### **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 1st November 2002 and signed on its behalf by:

**M Littler**  
**Director**

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

We have audited the accounts of Inclusive Technology Limited for the period ended 30th June 2002 on pages 6 to 15. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 8 and 7.

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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 the 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 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 30th June 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**Wheawill & Sudworth**  
**Chartered Accountants and Registered Auditors**  
**35 Westgate**  
**Huddersfield**  
**HD1 1PA**  
**1st November 2002**



# INCLUSIVE TECHNOLOGY LIMITED

## PROFIT AND LOSS ACCOUNT

### FOR THE PERIOD 1ST AUGUST 2001 TO 30TH JUNE 2002

	Notes	2002 £	Year ended 31 July 2001 £
<b>Turnover</b>	2	<b>3,316,371</b>	2,794,852
Cost of sales		<b>(2,232,086)</b>	(1,890,509)
<b>Gross profit</b>		<b>1,084,285</b>	904,343
Administrative expenses		<b>(921,186)</b>	(759,030)
<b>Operating profit</b>	3	<b>163,099</b>	145,313
Income from investments		<b>133,821</b>	60,000
<b>Profit on ordinary activities before interest</b>		<b>296,920</b>	205,313
Interest receivable		<b>7,910</b>	21
Interest payable	4	<b>(4,812)</b>	(7,753)
<b>Profit on ordinary activities before taxation</b>		<b>300,018</b>	197,581
Tax on profit on ordinary activities	6	<b>(45,656)</b>	(30,914)
<b>Profit on ordinary activities after taxation</b>		<b>254,362</b>	166,667
Dividends	7	-	(30,000)
<b>Retained profit for the period</b>		<b>254,362</b>	136,667
<b>Retained profit brought forward</b>		<b>227,241</b>	90,574
<b>Retained profit carried forward</b>		<b>481,603</b>	227,241

# INCLUSIVE TECHNOLOGY LIMITED

## BALANCE SHEET

AS AT 30TH JUNE 2002

	Notes	£	2002 £	£	31 July 2001 £
<b>Fixed assets</b>					
Tangible assets	8		<b>140,745</b>		147,642
Investments	9		<b>38,061</b>		2,000
			<hr/>		<hr/>
			<b>178,806</b>		149,642
<b>Current assets</b>					
Stocks		<b>202,323</b>		175,326	
Debtors	11	<b>580,527</b>		308,352	
Cash at bank and in hand		<b>31,999</b>		97,016	
			<hr/>	<hr/>	
			<b>814,849</b>	580,694	
<b>Creditors: amounts falling due within one year</b>	12	<b>(465,733)</b>		<b>(445,275)</b>	
			<hr/>	<hr/>	
<b>Net current assets</b>			<b>349,116</b>		135,419
<b>Total assets less current liabilities</b>			<b>527,922</b>		285,061
<b>Creditors: amounts falling due after more than one year</b>	13		<b>(14,415)</b>		(25,916)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	15		<b>(6,500)</b>		(6,500)
			<hr/>		<hr/>
<b>Net assets</b>			<b>507,007</b>		252,645
<b>Capital and reserves</b>					
Share capital	16		<b>900</b>		900
Share premium account			<b>24,404</b>		24,404
Capital redemption reserve			<b>100</b>		100
Profit and loss account			<b>481,603</b>		227,241
			<hr/>		<hr/>
<b>Shareholders' funds</b>			<b>507,007</b>		252,645
			<hr/>		<hr/>

These 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 June 2002)

These accounts were approved by the board on 1st November 2002 and signed on its behalf by:

**M Littler**  
Director

**P M C Hornsey**  
Director

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE PERIOD ENDED 30TH JUNE 2002

#### 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 June 2002).

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.

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE PERIOD ENDED 30TH JUNE 2002

#### 1 Accounting policies (continued)

##### 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 period. Differences between contributions payable in the period 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 11% (2001: 7%).

#### 3 Operating profit

<i>The operating profit is stated after charging:</i>	<b>2002</b>	2001
	£	£
Depreciation of tangible fixed assets:		
-owned assets	<b>33,105</b>	36,270
-assets held under finance leases and hire purchase contracts	<b>14,022</b>	7,215
Loss on disposal of fixed assets	<b>2,815</b>	2,367
Directors' remuneration	<b>448,348</b>	211,542
Auditors' remuneration	<b>5,500</b>	5,125

#### 4 Interest payable and similar charges

	<b>2002</b>	2001
	£	£
Interest payable on bank loans and overdrafts	<b>603</b>	3,804
Finance leases and hire purchase contracts	<b>4,125</b>	3,949
Interest payable on other loans	<b>84</b>	-

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE PERIOD ENDED 30TH JUNE 2002

#### 5 Directors' remuneration

	<b>2002</b>	<i>2001</i>
	<b>£</b>	<i>£</i>
Aggregate emoluments	<b>448,348</b>	<i>211,542</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>2002</b>	<i>2001</i>
	<b>£</b>	<i>£</i>
<b>Current tax</b>		
Uk corporation tax	<b>46,000</b>	<i>24,500</i>
Adjustments in respect of a prior period	<b>(344)</b>	<i>(86)</i>
<b>Total current tax charge</b>	<b>45,656</b>	<i>24,414</i>
<b>Deferred tax</b>		
Timing differences, origination and reversal	-	<i>6,500</i>
<b>Total deferred tax</b>	-	<i>6,500</i>
<b>Tax on profit on ordinary activities</b>	<b>45,656</b>	<i>30,914</i>

#### 7 Dividends

	<b>2002</b>	<i>2001</i>
	<b>£</b>	<i>£</i>
Ordinary dividends - proposed	-	<i>30,000</i>
<b>Total equity dividends</b>	-	<i>30,000</i>

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE PERIOD ENDED 30TH JUNE 2002

#### 8 Tangible fixed assets

	Computer and office equipment	Motor vehicles	Furniture and fixtures	Total
Cost	£	£	£	£
At 1st August 2001	92,711	70,862	59,198	222,771
Additions	15,067	26,645	5,833	47,545
Disposals	-	(12,995)	-	(12,995)
<b>At 30th June 2002</b>	<b>107,778</b>	<b>84,512</b>	<b>65,031</b>	<b>257,321</b>
<b>Depreciation</b>				
At 1st August 2001	51,065	11,549	12,515	75,129
Charge for the period	19,544	16,264	11,319	47,127
Disposals	-	(5,680)	-	(5,680)
<b>At 30th June 2002</b>	<b>70,609</b>	<b>22,133</b>	<b>23,834</b>	<b>116,576</b>
<b>Net book value</b>				
<b>At 30th June 2002</b>	<b>37,169</b>	<b>62,379</b>	<b>41,197</b>	<b>140,745</b>
<i>At 31st July 2001</i>	<i>41,646</i>	<i>59,313</i>	<i>46,683</i>	<i>147,642</i>

Assets held under finance leases and hire purchase originally cost £68,717 (2001: £57,867) and have a net book value of £47,191 (2001: £50,363). Depreciation charged for the period was £14,022 (2001: £7,215).

#### 9 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1st August 2001	2,000
Additions	36,061
<b>At 30th June 2002</b>	<b>38,061</b>
<b>Net book value</b>	
<b>At 30th June 2002</b>	<b>38,061</b>
<i>At 31st July 2001</i>	<i>2,000</i>

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE PERIOD ENDED 30TH JUNE 2002

#### 10 Shares in group undertakings

Name of company and registered office	Country of incorporation	Details of investment	Proportion held by company	Nature of business
Inclusive Consultancy and Training Limited Gatehead Business Park Delph Oldham OL3 5BX	England	1,000 Ordinary £1 shares	100%	Providers of training and consultancy
Inclusive Investments Limited Gatehead Business Park Delph Oldham OL3 5BX	England	1,000 Ordinary £1 shares	100%	Dormant
Inclusive Group Limited Gatehead Business Park Delph Oldham OL3 5BX	England	1,000 Ordinary £1 shares	100%	Dormant
Inclusive TLC Inc. 315 Wootton Street Boonton USA NJ 07005	USA	\$50,000	66.7%	Providers of educational software and hardware

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	322,156	209,780
Inclusive Investments Limited	-	1,000
Inclusive Group Limited	-	1,000
Inclusive TLC Inc.	(212,395)	(177,334)

#### 11 Debtors

	2002 £	2001 £
Trade debtors	327,442	293,412
Amounts owed by subsidiary undertakings (Note 22)	226,610	-
Other debtors	2,447	121
Prepayments and accrued income	24,028	14,819
	<u>580,527</u>	<u>308,352</u>

Debtors include an amount of £170,000 (2001: £-) falling due after more than one year.

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE PERIOD ENDED 30TH JUNE 2002

<b>12</b>	<b>Creditors: amounts falling due within one year</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Obligations under hire purchase contracts and finance leases	20,362	15,695
	Trade creditors	192,495	229,662
	Amounts owed to subsidiary undertakings (Note 22)	2,000	73,874
	Corporation tax	46,000	24,500
	Other taxes and social security	85,469	32,210
	Accruals and deferred income	62,476	39,334
	Directors' loans (Note 22)	56,931	-
	Proposed dividend	-	30,000
		<b>465,733</b>	<b>445,275</b>

<b>13</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Obligations under hire purchase contracts and finance leases	14,415	25,916

<b>14</b>	<b>Secured indebtedness</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Aggregate amount of secured liabilities	34,777	41,611

### 15 Deferred taxation

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

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
At 1st August 2001	6,500	-
Movement in the period	-	6,500
At 30th June 2002	<b>6,500</b>	<b>6,500</b>

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

	<b>Amount provided</b>	
	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	6,500	6,500

<b>16</b>	<b>Share capital</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	1,000 Ordinary shares of £1.00 each	1,000	1,000
	<b>Allotted</b>		
	900 Allotted, called up and fully paid ordinary shares of £1.00 each	900	900



# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE PERIOD ENDED 30TH JUNE 2002

#### 17 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 period amounted to £57,159 (2001 £21,160).

#### 18 Capital commitments

The company had the following capital commitments:

	<b>2002</b>	<i>2001</i>
	<b>£</b>	<i>£</i>
Contracted for but not provided in the accounts	-	<i>10,995</i>

#### 19 Operating lease commitments

At 30th June 2002 the company had annual commitments under non-cancellable operating leases as set out below:

	<b>2002</b>	<i>2001</i>
	<b>£</b>	<i>£</i>
Operating leases which expire:		
Between two and five years	<b>30,753</b>	-
After five years	-	<i>29,798</i>

#### 20 Contingent liabilities

The company and a subsidiary company have given cross-guarantees in relation to their bank borrowings. Such bank borrowings at 30 June 2002 amounted to £nil (2001 £nil).

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 30 June 2002 totalled £28,292 (2001 £23,047).

# **INCLUSIVE TECHNOLOGY LIMITED**

## **NOTES TO THE ACCOUNTS**

### **FOR THE PERIOD ENDED 30TH JUNE 2002**

#### **21 Post balance sheet event**

On 14 October 2002 the company purchased 100 of its own ordinary shares for a cash consideration of £75,000. This transaction was undertaken to enable a shareholder to realise its investment in the company.

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

During the period the company recharged costs to Inclusive Consultancy & Training Limited, a subsidiary company, at an amount of £187,505 (2001 £254,639).

The company has traded with this subsidiary on normal commercial terms, transactions during the period amounted to sales of £108,092 (2001 £34,795) and purchases of £3,798 (2001 £nil).

Amounts owed by Inclusive Consultancy & Training Limited at 30 June 2002 amounted to £800 (2001 Creditor of £72,874) as disclosed in notes 11 and 12.

Amounts owed to Inclusive Investments Limited at 30 June 2002 amounted to £1,000 (2001 £1,000) as disclosed in note 12.

Amounts owed to Inclusive Group Limited at 30 June 2002 amounted to £1,000 (2001 £1,000) as disclosed in note 12.

Amounts owed by Inclusive TLC Inc., a subsidiary company, at 30 June 2002 amounted to £225,810 (2001 £nil) as disclosed in note 11, £170,000 of this balance is not receivable within one year. During the period interest receivable on this balance amounted to £7,900 (2001 £nil).

The company has traded with this subsidiary on normal commercial terms, transactions during the period amounted to sales of £196,486 (2001 £nil).

During the period two of the directors, M Littler and P M C Hornsey, made interest free loans to the company.

The aggregate amounts outstanding at the period end were £56,931 (2001 £nil) and were unsecured and repayable on demand.

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