

**INCLUSIVE TECHNOLOGY
LIMITED
FINANCIAL STATEMENTS
30 JUNE 2015**

INCLUSIVE TECHNOLOGY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2015

CONTENTS	PAGES
Company information	1
Chairman's statement	2
Directors' report	3 to 4
Independent auditor's report to the shareholders	5 to 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 to 15

INCLUSIVE TECHNOLOGY LIMITED

COMPANY INFORMATION

The board of directors

M Littler
P M C Hornsey
R L H Bates
S S Gill
P A Stephenson
H J Fitzpatrick
J G Munro
S Thistlethwaite
C A Thornton

Company secretary

M Littler

Registered office

Riverside Court
Huddersfield Road
Delph
Oldham
OL3 5FZ

Auditor

Wheawill & Sudworth Limited
Chartered Accountants
& Statutory Auditor
35 Westgate
Huddersfield
West Yorkshire
HD1 1PA

Bankers

National Westminster Bank plc
55 High Street
Uppermill
Oldham
OL3 6AP

Solicitors

Baxter Caulfield
13 Station Street
Huddersfield
HD1 1LY

INCLUSIVE TECHNOLOGY LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 30 JUNE 2015

Inclusive Technology is now in its 20th year. The original three founders are still involved - but no longer as forty-somethings. Now as sixty- or seventy-somethings.

Our MD and FD are now the ages we were then, and in January 2015 we appointed four more directors, two in their early thirties. These appointments reflect the rate of change in technology and the pace at which our team are harnessing each significant development to benefit learners with special educational needs and disabilities (SEND).

Twenty years ago integrated touch technology was hardly known and Inclusive Technology played the lead role in introducing this wonderfully direct access method into education. Now of course it's on everyone's smartphone and iPad.

Today Inclusive is breaking new ground with eye gaze technology, paired with our growing range of online resources for learners with profound and multiple learning difficulties. Eye gaze knows exactly where children look on a computer screen, where they fix their gaze and for how long. Eye Gaze knows when they blink, and what makes their eyes widen! Potentially this rich source of data can be processed and mined to report on the child's progress and to direct their learning.

And this can happen anywhere in the world - and does! These days American children consume significantly more of our online resources than British children. Our exports in general are almost a third of our revenues, and growing. This is helped by new markets for our hardware like the very strong growth in exports to Russia.

The increasing proportion of products delivered online has improved profitability. From 2013 to 2014 profits doubled and this year they have very nearly doubled again. This is a huge help in making possible our growing research and development effort which will result in new resources to help learners with special needs to communicate, learn and live a full life.

Martin Littler FRSA
Chairman, Inclusive Technology Ltd.

30 October 2015

INCLUSIVE TECHNOLOGY LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2015

The directors present their report and the financial statements of the company for the year ended 30 June 2015.

Principal activity and business review

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

The Chairman's Statement is included on page 2 of the financial statements.

Directors

The directors who served the company during the year together with their interests in the issued share capital of the company and its parent company, Inclusive Group Limited, were as follows:

	Inclusive Group Limited		Inclusive Technology Limited	
	Ordinary 1p shares		Ordinary £1 shares	
	30 June 2015	<i>1 July 2014</i>	30 June 2015	<i>1 July 2014</i>
M Littler	22,631	<i>22,631</i>	-	-
P M C Hornsey	5,437	<i>5,437</i>	-	-
R L H Bates	882	<i>882</i>	-	-
S S Gill	2,400	<i>2,400</i>	-	-
P A Stephenson (appointed 14 July 2014)	-	-	-	-
H J Fitzpatrick (appointed 1 January 2015)	-	-	-	-
J G Munro (appointed 1 January 2015)	-	-	-	-
S Thistlewaite (appointed 1 January 2015)	-	-	-	-
C A Thornton (appointed 1 January 2015)	-	-	-	-

The directors hold no shares in the other group companies which are 100% owned by Inclusive Group Limited.

S S Gill holds options over 849 Ordinary 1p shares in the parent company in accordance with the terms of an Enterprise Management Incentive Scheme. P A Stephenson holds similar options over 364 shares.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

INCLUSIVE TECHNOLOGY LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2015

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditor

Wheawill & Sudworth Limited were re-appointed as the company's auditors during the year and have expressed their willingness to continue in that capacity.

Statement of disclosure of information to auditors

We, the directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware that:

- there is no relevant audit information of which the company's auditor is unaware; and
- we have taken all steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board on 30 October 2015 and is signed on its behalf by:

M Littler

Director

INCLUSIVE TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INCLUSIVE TECHNOLOGY LIMITED

YEAR ENDED 30 JUNE 2015

We have audited the financial statements of Inclusive Technology Limited for the year ended 30 June 2015 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the Annual Report, financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INCLUSIVE TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INCLUSIVE TECHNOLOGY LIMITED *(continued)*

YEAR ENDED 30 JUNE 2015

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.

35 Westgate
Huddersfield
West Yorkshire
HD1 1PA

30 October 2015

D M BUTTERWORTH (Senior
Statutory Auditor)
For and on behalf of
WHEAWILL & SUDWORTH LIMITED
Chartered Accountants
& Statutory Auditor

INCLUSIVE TECHNOLOGY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2015

	Note	2015 £	2014 £
Turnover	2	4,204,078	<i>3,988,027</i>
Cost of sales		<u>(2,495,712)</u>	<u>(2,428,463)</u>
Gross profit		1,708,366	<i>1,559,564</i>
Distribution costs		(1,125)	<i>(1,842)</i>
Administrative expenses		(1,560,399)	<i>(1,442,448)</i>
Other operating income	3	<u>180,734</u>	<u>33,006</u>
Operating profit	4	327,576	<i>148,280</i>
Interest receivable and similar income		172	<i>29</i>
Interest payable and similar charges		(9,777)	<i>(14,741)</i>
Profit on ordinary activities before taxation		<u>317,971</u>	<u>133,568</u>
Tax on profit on ordinary activities	6	(30,545)	<i>12,233</i>
Profit for the financial year		<u><u>287,426</u></u>	<u><u>145,801</u></u>

The notes on pages 9 to 15 form part of these financial statements.

INCLUSIVE TECHNOLOGY LIMITED

BALANCE SHEET

30 JUNE 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	8	<u>147,941</u>	<u>142,316</u>
Current assets			
Stocks		282,715	292,933
Debtors due within one year	9	448,640	464,234
Debtors due after one year	9	918,704	966,285
Cash at bank and in hand		<u>122,092</u>	<u>17,362</u>
		<u>1,772,151</u>	<u>1,740,814</u>
Creditors: Amounts falling due within one year	10	<u>(526,303)</u>	<u>(650,706)</u>
Net current assets		<u>1,245,848</u>	<u>1,090,108</u>
Total assets less current liabilities		<u>1,393,789</u>	<u>1,232,424</u>
Creditors: Amounts falling due after more than one year	11	(56,866)	(85,127)
Provisions for liabilities			
Deferred taxation	14	<u>(8,600)</u>	<u>(6,400)</u>
Net assets		<u>1,328,323</u>	<u>1,140,897</u>
Capital and reserves			
Called-up equity share capital	18	614	614
Share premium account	20	24,404	24,404
Other reserves		386	386
Profit and loss account	21	<u>1,302,919</u>	<u>1,115,493</u>
Shareholders' funds		<u>1,328,323</u>	<u>1,140,897</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on 30 October 2015, and are signed on their behalf by:

M Littler
Director

S S Gill
Director

Company Registration Number: 03525459

The notes on pages 9 to 15 form part of these financial statements.

INCLUSIVE TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

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

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Leased property alterations	-	Over the period of the lease
Fixtures and fittings	-	5 years straight line
Motor vehicles	-	25% reducing balance
Computer and office equipment	-	3 - 5 years straight line

Stocks

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

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.

Contributions to pension funds

The company operates a defined contribution pension scheme. 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.

Deferred taxation

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

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.

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2015

1. Accounting policies (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Grants

Grants of a revenue nature are recognised in the profit and loss account of the period in respect of which they are paid.

2. Turnover

The percentage of turnover attributable to the overseas markets was 27.8% (2014: 19.3%).

3. Other operating income

	2015	2014
	£	£
Grant income	<u>180,734</u>	<u>33,006</u>

4. Operating profit

Operating profit is stated after charging:

	2015	2014
	£	£
Directors' emoluments (including pension contributions)	397,137	253,868
Depreciation of tangible fixed assets:		
- owned assets	49,714	42,411
- assets held under hire purchase agreements	11,256	15,024
Loss on disposal of fixed assets	1,175	4,358
Auditor's fees	<u>7,150</u>	<u>9,000</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2015	2014
	£	£
Aggregate remuneration	351,135	247,009
Value of company pension contributions to money purchase schemes	<u>46,002</u>	<u>6,859</u>
	<u>397,137</u>	<u>253,868</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2015	2014
	No	No
Money purchase schemes	<u>8</u>	<u>4</u>

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2015

6. Taxation

Analysis of charge in the year

	2015 £	2014 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	38,572	5,150
Over provision in prior year	(10,227)	(16,783)
Total current tax	<u>28,345</u>	<u>(11,633)</u>
Deferred tax:		
Origination and reversal of timing differences	2,200	(600)
Tax on profit on ordinary activities	<u>30,545</u>	<u>(12,233)</u>

7. Dividends

Equity dividends

	2015 £	2014 £
Paid		
Equity dividends on ordinary shares	<u>100,000</u>	<u>22,000</u>

8. Tangible fixed assets

	Leased property alterations £	Fixtures & fittings £	Motor vehicles £	Computer and office equipment £	Total £
Cost					
At 1 July 2014	15,094	117,305	180,004	178,246	490,649
Additions	–	3,036	60,984	20,033	84,053
Disposals	–	(20,404)	(83,448)	(13,547)	(117,399)
At 30 June 2015	<u>15,094</u>	<u>99,937</u>	<u>157,540</u>	<u>184,732</u>	<u>457,303</u>
Depreciation					
At 1 July 2014	14,376	85,981	98,034	149,942	348,333
Charge for the year	168	14,139	27,922	18,741	60,970
On disposals	–	(20,404)	(65,990)	(13,547)	(99,941)
At 30 June 2015	<u>14,544</u>	<u>79,716</u>	<u>59,966</u>	<u>155,136</u>	<u>309,362</u>
Net book value					
At 30 June 2015	<u>550</u>	<u>20,221</u>	<u>97,574</u>	<u>29,596</u>	<u>147,941</u>
At 30 June 2014	<u>718</u>	<u>31,324</u>	<u>81,970</u>	<u>28,304</u>	<u>142,316</u>

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2015

8. Tangible fixed assets *(continued)*

Hire purchase agreements

Included within the net book value of £147,941 is £33,814 (2014 - £45,070) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £11,256 (2014 - £15,024).

9. Debtors

	2015	2014
	£	£
Trade debtors	332,372	356,636
Amounts owed by group companies (note 17)	918,704	966,489
Corporation tax recoverable	3,934	16,809
Other debtors	69	530
Prepayments and accrued income	112,265	90,055
	<u>1,367,344</u>	<u>1,430,519</u>

The debtors above include the following amounts falling due after more than one year:

	2015	2014
	£	£
Amounts owed by group companies	<u>918,704</u>	<u>966,285</u>

10. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	–	146,112
Trade creditors	158,697	263,804
Corporation tax	37,430	5,150
PAYE and social security	31,525	34,977
VAT	17,302	17,952
Hire purchase agreements	5,785	20,154
Directors' loan accounts (note 16)	29,716	9,381
Other creditors (note 17)	60,286	13,644
Accruals and deferred income	185,562	139,532
	<u>526,303</u>	<u>650,706</u>

11. Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Hire purchase agreements	–	5,785
Directors' loan accounts (note 16)	19,780	27,597
Other creditors (note 17)	37,086	51,745
	<u>56,866</u>	<u>85,127</u>

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2015

12. Pensions

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

The total contributions paid in the year amounted to £58,730 (2014: £29,736).

13. Secured liabilities

	2015	2014
	£	£
Aggregate amount of secured liabilities	<u>5,785</u>	<u>172,051</u>

14. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2015
	£
Provision brought forward	6,400
Profit and loss account movement arising during the year	<u>2,200</u>
Provision carried forward	<u>8,600</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>8,600</u>	<u>6,400</u>
	<u>8,600</u>	<u>6,400</u>

15. Commitments under operating leases

At 30 June 2015 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2015	2014
	£	£
Operating leases which expire:		
Within 1 year	639	-
Within 2 to 5 years	<u>75,279</u>	<u>84,741</u>
	<u>75,918</u>	<u>84,741</u>

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2015

16. Directors' advances, credits and guarantees

At the year end the company owed P M C Hornsey £46,262 (2014: £36,539). This loan was unsecured and partly repayable on demand. Interest of £2,389 (2014: £2,053) has been charged on the loan at a commercial rate.

At the year end the company owed R L H Bates £3,191 (2014: £414). This loan was unsecured and repayable on demand. Interest of £23 (2014: £6) has been charged on the loan at 2.25% above bank base rate.

At the year end the company owed S S Gill £43 (2014: £25). This loan was unsecured and repayable on demand. Interest of £17 (2014: £Nil) has been charged on the loan at 2.25% above bank base rate.

During the year one of the directors, M Littler, purchased a motor vehicle from the company for £3,333.

17. Related party transactions

Amounts owed by Inclusive Group Limited (which owns 100% of Inclusive Technology Limited) at 30 June 2015 amounted to £918,704 (2014: £966,285) as disclosed in note 9.

Amounts owed by Quality Enabling Devices Limited (a fellow subsidiary of Inclusive Group Limited) of £204 were written off during the year, at 30 June 2015 amounts included in the balance sheet were £nil (2014: £204) as disclosed in note 9.

Included within other creditors is a loan from D Littler, spouse of the director M Littler, of £45,627 (2014: £468 debtor). This loan was unsecured and repayable on demand. Interest of £259 (2014: £28) has been charged on the loan. Interest was being charged at 2.25% above bank base rate.

At the year end the company owed A Littler, brother of the director M Littler, £17,248 (2014: £21,796). This loan was unsecured and partly repayable on demand. Interest of £1,419 (2014: £1,272) has been charged on the loan at a commercial rate.

At the year end the company owed D Littler £34,497 (2014: £43,593). This loan is an unsecured loan in addition to the loan detailed above and partly repayable on demand. Interest of £2,838 (2014: £2,544) has been charged on the loan. Interest has been charged at a commercial rate.

M Littler had provided personal guarantees in support of the company's banking facilities. These facilities were also supported by guarantees and security from other group undertakings.

18. Share capital

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>614</u>	<u>614</u>	<u>614</u>	<u>614</u>

19. Other reserves

There was no movement on the capital redemption reserve during the financial year.

20. Share premium account

There was no movement on the share premium account during the financial year.

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2015

21. Profit and loss account

	2015	2014
	£	£
Balance brought forward	1,115,493	991,692
Profit for the financial year	287,426	145,801
Equity dividends	(100,000)	(22,000)
Balance carried forward	<u>1,302,919</u>	<u>1,115,493</u>

22. Ultimate parent company

The company is a 100% subsidiary of Inclusive Group Limited.

23. Control

The company's ultimate controlling party is M Littler.