

Company registration number 03525459

**INCLUSIVE TECHNOLOGY
LIMITED
FINANCIAL STATEMENTS
30 JUNE 2016**

INCLUSIVE TECHNOLOGY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

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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

Ramsdens Solicitors LLP
13 Station Street
Huddersfield
HD1 1LY

INCLUSIVE TECHNOLOGY LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 30 JUNE 2016

This was an incredible year for Inclusive Technology. We won the Queen's Award for Enterprise for International Trade; celebrated the Company's 20th year; and reached our target of £80,000 raised for Manchester Children's Hospital. We also grew our online sales - particularly to American customers whose online subscriptions grew by 50%.



Anna Reeves DL presents the Queen's Award to Martin Littler flanked by company founders Trish Hornsey and Roger Bates.

The Queen's Award provided three opportunities to publicise the benefits of our online software to learners with complex learning difficulties & disabilities (CLDD) around the world and particularly in the United States where over half of our online subscribers are based. The first of these opportunities took place on the Queen's birthday on April 21st. We had several weeks' notice to arrange press and TV interviews which had us zipping from TV studio to magazine offices to press watering holes. A busy day!

On 14th July our Managing Director, Sukhjit Gill, and I were invited to Buckingham Palace where eight members of the Royal Family circulated amongst the Queen's Award winners. Apart from the Queen and the Duke of Edinburgh there was Princess Eugenie, the Duke of Gloucester, the Duke of Kent and the Prince and Princess Michael of Kent. We had quite a chat with Princess Michael and a very entertaining encounter with the Duke of Edinburgh, the details of which I shan't commit to print!

Our third and final bite of the pie came at Manchester's Museum of Science and Industry on September 9th. The Museum is two streets away from where Inclusive had started up twenty years earlier - almost to the day back in 1996.



Bob the Builder with our £80,000 cheque for Manchester Children's Hospital.

INCLUSIVE TECHNOLOGY LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 30 JUNE 2016

The Deputy Lord Lieutenant of Manchester, Anna Reeves DL, presented our Queen's Awards cut-glass chalice and our friend Bob the Builder cut our birthday cake with a giant builders' trowel. Bob was there to celebrate us reaching our fund-raising target of £80,000 for Manchester Children's Hospital. We did this by devoting all proceeds from our switch accessible Bob the Builder software to the Hospital fund. HIT Entertainment, Bob's owners kindly allowed us to do this as their contribution to the Fund. And young children with CLDD who may be limited to a single voluntary movement got to play with a popular licensed character. Win, win, win!

Research and development into new global online services to special education consume much of our time and resources these days as new technology gives more insight into children's learning. This year we will be promoting these services strongly with many face-to-face events in the UK and USA as well as our catalogues, email newsletters, webinars, videos and social media. Our business is rapidly going online and going global. Exciting times!

Martin Littler FRSA
Executive Chairman

2 December 2016

INCLUSIVE TECHNOLOGY LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements of the company for the year ended 30 June 2016.

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 2016	<i>1 July 2015</i>	30 June 2016	<i>1 July 2015</i>
M Littler	2,000	<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	-	-	-	-
H J Fitzpatrick	-	-	-	-
J G Munro	-	-	-	-
S Thistlewaite	-	-	-	-
C A Thornton	-	-	-	-

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.

Statement of 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 2016

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 2 December 2016 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 2016

We have audited the financial statements of Inclusive Technology Limited for the year ended 30 June 2016 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 January 2015) (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 4 to 5, 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 2016 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 2016

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

2 December 2016

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 2016

	Note	2016 £	2015 £
Turnover	2	4,078,570	4,204,078
Cost of sales		<u>(2,237,397)</u>	<u>(2,495,712)</u>
Gross profit		1,841,173	1,708,366
Distribution costs		(493)	(1,125)
Administrative expenses		(1,674,716)	(1,560,399)
Other operating income	3	108,895	180,734
Operating profit	4	274,859	327,576
Interest receivable and similar income		47	172
Interest payable and similar charges		(6,549)	(9,777)
Profit on ordinary activities before taxation		<u>268,357</u>	<u>317,971</u>
Tax on profit on ordinary activities	6	19,353	(30,545)
Profit for the financial year		<u>287,710</u>	<u>287,426</u>

The notes on pages 10 to Error! Bookmark not defined. form part of these financial statements.

INCLUSIVE TECHNOLOGY LIMITED

BALANCE SHEET

30 JUNE 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	144,950	147,941
Current assets			
Stocks		294,736	282,715
Debtors due within one year	9	384,888	448,640
Debtors due after one year	9	928,220	918,704
Cash at bank and in hand		352,022	122,092
		<u>1,959,866</u>	<u>1,772,151</u>
Creditors: Amounts falling due within one year	10	(548,263)	(526,303)
Net current assets		1,411,603	1,245,848
Total assets less current liabilities		1,556,553	1,393,789
Creditors: Amounts falling due after more than one year	11	(32,720)	(56,866)
Provisions for liabilities			
Deferred taxation	14	(7,800)	(8,600)
Net assets		1,516,033	1,328,323
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	1,490,629	1,302,919
Shareholders' funds		1,516,033	1,328,323

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 January 2015).

These financial statements were approved by the directors and authorised for issue on 2 December 2016, and are signed on their behalf by:

M Littler
Director

S S Gill
Director

Company Registration Number: 03525459

The notes on pages 10 to Error! Bookmark not defined. form part of these financial statements.

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

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 January 2015).

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 2016

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 30.4% (2015: 27.8%).

3. Other operating income

	2016	2015
	£	£
Grant income	<u>108,895</u>	<u>180,734</u>

4. Operating profit

Operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Directors' emoluments (including pension contributions)	474,179	397,137
Depreciation of tangible fixed assets:		
- owned assets	56,330	49,714
- assets held under hire purchase agreements	-	11,256
(Profit)/loss on disposal of fixed assets	(3,336)	1,175
Auditor's fees	<u>9,500</u>	<u>7,150</u>

5. Directors' remuneration

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

	2016	2015
	£	£
Aggregate remuneration	426,870	351,135
Value of company pension contributions to money purchase schemes	47,309	46,002
	<u>474,179</u>	<u>397,137</u>

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

	2016	2015
	No	No
Money purchase schemes	<u>8</u>	<u>8</u>

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

6. Taxation

Analysis of charge in the year

	2016 £	2015 £
Current tax:		
UK Corporation tax based on the results for the year	-	38,572
Over provision in prior year	<u>(18,553)</u>	<u>(10,227)</u>
Total current tax	<u>(18,553)</u>	<u>28,345</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(800)</u>	<u>2,200</u>
Tax on profit on ordinary activities	<u>(19,353)</u>	<u>30,545</u>

7. Dividends

Equity dividends

	2016 £	2015 £
Paid		
Equity dividends on ordinary shares	<u>100,000</u>	<u>100,000</u>

8. Tangible assets

	Leased property alterations £	Fixtures & fittings £	Motor vehicles £	Computer and office equipment £	Total £
Cost					
At 1 July 2015	15,094	99,937	157,540	184,732	457,303
Additions	-	5,643	58,000	19,499	83,142
Disposals	-	(22,607)	(76,643)	(22,696)	(121,946)
At 30 June 2016	<u>15,094</u>	<u>82,973</u>	<u>138,897</u>	<u>181,535</u>	<u>418,499</u>
Depreciation					
At 1 July 2015	14,544	79,716	59,966	155,136	309,362
Charge for the year	168	10,179	27,150	18,833	56,330
On disposals	-	(21,502)	(48,790)	(21,851)	(92,143)
At 30 June 2016	<u>14,712</u>	<u>68,393</u>	<u>38,326</u>	<u>152,118</u>	<u>273,549</u>
Net book value					
At 30 June 2016	<u>382</u>	<u>14,580</u>	<u>100,571</u>	<u>29,417</u>	<u>144,950</u>
At 30 June 2015	<u>550</u>	<u>20,221</u>	<u>97,574</u>	<u>29,596</u>	<u>147,941</u>

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

8. Tangible assets (continued)

Hire purchase agreements

Included within the net book value of £144,950 is £Nil (2015 - £33,814) 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 £Nil (2015 - £11,256).

9. Debtors

	2016	2015
	£	£
Trade debtors	296,004	332,372
Amounts owed by group companies (note 17)	928,220	918,704
Corporation tax recoverable	3,934	3,934
Other debtors	–	69
Prepayments and accrued income	84,950	112,265
	<u>1,313,108</u>	<u>1,367,344</u>

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

	2016	2015
	£	£
Amounts owed by group companies	<u>928,220</u>	<u>918,704</u>

10. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	137,264	158,697
Corporation tax	–	37,430
PAYE and social security	37,889	31,525
VAT	44,081	17,302
Hire purchase agreements	–	5,785
Directors' loan accounts (note 16)	33,139	29,716
Other creditors (note 17)	46,752	60,286
Accruals and deferred income	249,138	185,562
	<u>548,263</u>	<u>526,303</u>

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

	2016	2015
	£	£
Directors' loan accounts (note 16)	11,381	19,780
Other creditors (note 17)	21,339	37,086
	<u>32,720</u>	<u>56,866</u>

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

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 £60,473 (2015: £68,730).

13. Secured liabilities

	2016	2015
	£	£
Aggregate amount of secured liabilities	—	5,785

14. Deferred taxation

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

	2016
	£
Provision brought forward	8,600
Profit and loss account movement arising during the year	(800)
Provision carried forward	7,800

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

	2016	2015
	£	£
Excess of taxation allowances over depreciation on fixed assets	7,800	8,600
	7,800	8,600

15. Commitments under operating leases

At 30 June 2016 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2016	2015
	£	£
Operating leases which expire:		
Within 1 year	—	639
Within 2 to 5 years	83,393	75,279
	83,393	75,918

INCLUSIVE TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

16. Directors' advances, credits and guarantees

At the year end the company owed P M C Hornsey £37,470 (2015: £46,262). This loan was unsecured and partly repayable on demand. Interest of £1,737 (2015: £2,389) has been charged on the loan at a commercial rate.

At the year end the company owed R L H Bates £3,046 (2015: £3,191). This loan was unsecured and repayable on demand. Interest of £122 (2015: £23) has been charged on the loan at 2.25% above bank base rate.

At the year end the company owed S S Gill £4,004 (2015: £43). This loan was unsecured and repayable on demand. Interest of £72 (2015: £17) has been charged on the loan at 2.25% above bank base rate.

17. Related party transactions

Amounts owed by Inclusive Group Limited (which owns 100% of Inclusive Technology Limited) at 30 June 2016 amounted to £928,220 (2015: £918,704) as disclosed in note 9.

Included within other creditors is a loan from D Littler, spouse of the director M Littler, of £31,005 (2015: £45,627). This loan was unsecured and repayable on demand. Interest of £945 (2015: £259) 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, £12,362 (2015: £17,248). This loan was unsecured and partly repayable on demand. Interest of £1,081 (2015: £1,419) has been charged on the loan at a commercial rate.

At the year end the company owed D Littler £24,724 (2015: £34,497). This loan is an unsecured loan in addition to the loan detailed above and partly repayable on demand. Interest of £2,162 (2015: £2,838) 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:

	2016		2015	
	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 2016

	2016 £	2015 £
21. Profit and loss account		
	2016	2015
	£	£
Balance brought forward	1,302,919	<i>1,115,493</i>
Profit for the financial year	287,710	<i>287,426</i>
Equity dividends	(100,000)	<i>(100,000)</i>
Balance carried forward	<u>1,490,629</u>	<i><u>1,302,919</u></i>

22. Ultimate parent company

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

23. Control

The company's ultimate controlling party is D Littler.