

**INCLUSIVE TECHNOLOGY LIMITED**

**REPORT AND ACCOUNTS**

**31 JULY 1999**

**Company No. 3525459**

# INCLUSIVE TECHNOLOGY LIMITED

## COMPANY INFORMATION

**Directors**

M Littler  
P M C Hornsey  
R L H Bates

**Secretary**

P M C Hornsey

**Company number**

3525459

**Registered office**

Saddleworth Business Centre  
Delph  
Oldham  
OL3 5DF

**Auditors**

Wheawill & Sudworth  
Chartered Accountants  
35 Westgate  
Huddersfield  
HD1 1PA

**Solicitors**

Baxter Caulfield  
13 Station Street  
Huddersfield  
HD1 1LY

**Bankers**

HSBC Bank plc  
2 Cloth Hall Street  
Huddersfield  
HD1 2ES

# **INCLUSIVE TECHNOLOGY LIMITED**

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# INCLUSIVE TECHNOLOGY LIMITED

## DIRECTORS' REPORT

The directors present their report and accounts for the period ended 31 July 1999. The company was incorporated as Emperor Solutions Limited on 11 March 1998 and changed its name on 20 May 1998.

### Principal activities

On 1 April 1998 the company acquired certain assets and the trading activity of the Inclusive Technology division of Infogrames United Kingdom Limited. Since then the company's principal activity has been that of providers of educational software and hardware for people with special needs.

The subsidiary undertaking's principal activity was that of software consultancy and training providers. The subsidiary did not trade in the period.

### 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 31 July 1999	At 25 March 1998
M Littler	appointed 25 March 1998	296	1
P M C Hornsey	appointed 25 March 1998	296	-
R L H Bates	appointed 25 March 1998	296	-

### Issue of shares

On 25 June 1998 ordinary shares of £1 each, with an aggregate nominal value of £887, were issued fully paid for cash of £887.

On 5 August 1998 ordinary shares of £1 each, with an aggregate nominal value of £12, were issued fully paid for cash of £12. On the same date a further one hundred shares were issued fully paid for cash of £24,504.

### 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;

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**

### **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 7 December 1999 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 4 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, 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 2 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 31st July 1999 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  
7 December 1999**

# INCLUSIVE TECHNOLOGY LIMITED

## PROFIT AND LOSS ACCOUNT

### FOR THE PERIOD ENDED

31 JULY 1999

	Notes	1999 £
<b>Turnover</b>	2	1,528,131
Cost of sales		<u>(947,757)</u>
<b>Gross profit</b>		580,374
Administrative expenses		<u>(554,960)</u>
<b>Operating profit</b>	3	25,414
Exceptional item	4	<u>83,758</u>
		109,172
Interest receivable		401
Interest payable and similar charges	5	<u>(4,208)</u>
<b>Profit on ordinary activities before taxation</b>		105,365
Tax on profit on ordinary activities	7	<u>(21,500)</u>
<b>Profit for the financial period and carried forward</b>	16	<u><u>83,865</u></u>

There were no recognised gains or losses for 1999 other than those included in the profit and loss account.

# INCLUSIVE TECHNOLOGY LIMITED

## BALANCE SHEET

31 JULY 1999

	Notes	1999 £
<b>Fixed assets</b>		
Tangible assets	8	67,822
Investments	9	1,000
		<hr/>
		68,822
		<hr/>
<b>Current assets</b>		
Stocks	11	97,281
Debtors	12	194,445
Cash at bank and in hand		15,690
		<hr/>
		307,416
<b>Creditors: amounts falling due within one year</b>	13	(252,850)
		<hr/>
<b>Net current assets</b>		54,566
		<hr/>
<b>Total assets less current liabilities</b>		123,388
		<hr/>
<b>Creditors: amounts falling due after more than one year</b>	14	(14,119)
		<hr/>
<b>Net assets</b>		109,269
		<hr/> <hr/>
<b>Capital and reserves</b>		
Share capital	15	1,000
Share premium account	16	24,404
Profit and loss account	16	83,865
		<hr/>
<b>Shareholders' funds</b>		109,269
		<hr/> <hr/>

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.

These accounts were approved by the board on 7 December 1999 and signed on its behalf by:

**M Littler**  
Director

**P M C Hornsey**  
Director

**R L H Bates**  
Director

*The notes on pages 6 to 11 form part of these accounts.*



# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

31 JULY 1999

### 1 Accounting policies

#### Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### 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.

#### 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

#### 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 except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

#### 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 ACCOUNTS

31 JULY 1999

### 1 Accounting policies (continued)

#### 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.

#### Negative goodwill

Negative goodwill is recognised in the profit and loss account in the periods in which the non-monetary assets are recovered, whether through depreciation or sale. Negative goodwill in relation to monetary assets acquired is recognised in the period expected to benefit.

### 2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

The percentage of turnover attributable to overseas markets was 6%.

### 3 Operating profit

<i>The operating profit is stated after charging:</i>	<b>1999</b>
	<b>£</b>
Depreciation of tangible fixed assets:	
-owned assets	<b>20,041</b>
-assets held under finance leases and hire purchase contracts	<b>9,228</b>
Loss on disposal of fixed assets	<b>2,525</b>
Directors' remuneration	<b>169,384</b>
Auditors' remuneration	<b>2,000</b>
	<hr/> <hr/>

<b>4 Exceptional item</b>	<b>1999</b>
	<b>£</b>
Negative goodwill	<b>83,758</b>
	<hr/> <hr/>

Negative goodwill amounting to £83,758 arose on the initial purchase of the company trading assets. This has been fully recognised in the accounts since all the monetary and non-monetary assets acquired have either been disposed or utilised against realised profits of the company.

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

31 JULY 1999

<b>5</b>	<b>Interest payable and similar charges</b>	<b>1999</b>
		<b>£</b>
	Interest payable on bank loans and overdrafts	1,727
	Finance leases and hire purchase contracts	1,413
	Interest payable on other loans	1,068
		<u>4,208</u>

<b>6</b>	<b>Directors' remuneration</b>	<b>1999</b>
		<b>£</b>
	Aggregate emoluments	<u>169,384</u>
	Retirement benefits were accruing to directors under schemes as follows:-	<b>Number</b>
	Defined contribution pension schemes	<u>3</u>

<b>7</b>	<b>Taxation</b>	<b>1999</b>
		<b>£</b>
	Based on the profit for the period:	
	Corporation tax	<u>21,500</u>

<b>8</b>	<b>Tangible fixed assets</b>				
		<b>Computer and office equipment</b>	<b>Motor vehicles</b>	<b>Furniture and fixtures</b>	<b>Total</b>
	<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Additions	38,477	64,885	13,854	117,216
	Disposals	-	(21,375)	-	(21,375)
	<b>At 31 July 1999</b>	<u>38,477</u>	<u>43,510</u>	<u>13,854</u>	<u>95,841</u>
	<b>Depreciation</b>				
	Charge for the period	14,037	12,128	3,104	29,269
	Disposals	-	(1,250)	-	(1,250)
	<b>At 31 July 1999</b>	<u>14,037</u>	<u>10,878</u>	<u>3,104</u>	<u>28,019</u>
	<b>Net book value</b>				
	<b>At 31 July 1999</b>	<u>24,440</u>	<u>32,632</u>	<u>10,750</u>	<u>67,822</u>

Assets held under finance leases originally cost £36,910 and have a net book value of £27,683.

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

31 JULY 1999

### 9 Fixed asset investments

	Shares in group undertaking £
Cost	
Additions	1,000
At 31 July 1999	<u>1,000</u>
Net book value At 31 July 1999	<u>1,000</u>

### 10 Shares in group undertaking

Name of company and registered office	Details of investment	Proportion held by company	Nature of business
Inclusive Consultancy and Training Limited Saddleworth Business Centre Delph Oldham OL3 5DF	1,000 Ordinary £1 shares	100%	Providers of training and consultancy. Not yet trading

### 11 Stocks

	1999 £
Component materials	24,180
Finished goods	73,101
	<u>97,281</u>

### 12 Debtors

	1999 £
Trade debtors	175,666
Other debtors	4,562
Prepayments and accrued income	14,217
	<u>194,445</u>

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

31 JULY 1999

<b>13</b>	<b>Creditors: amounts falling due within one year</b>	<b>1999</b>
		<b>£</b>
	Bank loans and overdrafts	3,919
	Trade creditors	184,287
	Corporation tax	21,500
	Other taxes and social security	11,811
	Obligations under hire purchase and finance lease contracts	8,397
	Accruals and deferred income	22,936
		<u>252,850</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

<b>14</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>1999</b>
		<b>£</b>
	Obligations under hire purchase and finance lease contracts	14,119
		<u>14,119</u>

<b>15</b>	<b>Share capital</b>	<b>1999</b>
		<b>£</b>
	<b>Authorised</b>	
	1,000 Ordinary shares of £1.00 each	1,000
		<u>1,000</u>
	<b>Allotted</b>	
	1,000 Allotted, called up and fully paid ordinary shares of £1.00 each	1,000
		<u>1,000</u>

On 24 June 1998 ordinary shares of £1 each, with an aggregate nominal value of £887, were issued fully paid for cash of £887.

On 5 August 1998 ordinary shares of £1 each, with an aggregate nominal value of £12, were issued fully paid for cash of £12. On the same date a further one hundred shares were issued fully paid for cash of £24,504.

<b>16</b>	<b>Reserves</b>	<b>Share</b>	<b>Profit</b>
		<b>premium</b>	<b>and loss</b>
		<b>account</b>	<b>account</b>
		<b>£</b>	<b>£</b>
	Profit for the period	-	83,865
	Premium on allotment	24,404	-
	<b>At 31 July 1999</b>	<u>24,404</u>	<u>83,865</u>

# INCLUSIVE TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS

**31 JULY 1999**

### **17 Pension scheme**

The company operates defined contribution pension schemes for the benefit of the 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 £12,000.

### **18 Operating lease commitments**

At 31 July 1999 the company had annual commitments under non-cancellable operating leases as set out below:

	<b>1999</b>
Operating leases which expire:	<b>£</b>
Within one year	<b><u>1,023</u></b>

### **19 Related party disclosures**

#### **Transactions with directors**

The directors have provided loans to the company during the period. These were unsecured and interest was paid at a commercial rate. No loans were outstanding at the period end.