

ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH
2016

INTECHNOLOGY PLC ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

intechtechnology^{plc}

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GROUP STRATEGIC REPORT

Introduction

Your company has to date made significant progress to enable the recent investments in Digital Health and Wi-Fi services to achieve future profitability and cash generation. A recent management change in Mobile Tornado Group has moved this business closer to break even and plans for profitability in 2017.

Digital Health and Wi-Fi product development has been successful in achieving their respective milestones, and each sales and marketing teams have to date achieved excellent customer contracts. Once these contracts are fully deployed they will become the best way of demonstrating to other prospective customers the compelling advantage of our products. So, in the space of under three years since the sale of the major part of the company we have established two new businesses from concept to development and now to customer contracts.

As we reported in September 2015 further investment was made in Mobile Tornado Group plc thus making it a 51.2 per cent subsidiary from April 2015.

Lord Parkinson, chairman 2000-2016

Lord Parkinson, our non-executive chairman since 2000, sadly died on 25 January 2016.

Cecil Parkinson had over the years brought his vast experience and strong corporate governance standards to our company and he is greatly missed. However, those standards which he instilled in all of us will continue.

Trading and operating performance

- Revenues £9.0m (2015: £7.3m)
- Group operating loss £8.3m (2015: £7.6m)
- Group loss attributable to parent £0.9m (2015: £4.6m)
- Cash £5.0m (2015: £5.4m)
- Debt £0.1m (2015: £nil)

Ordinary share issue

In February 2016 the directors placed 50million new ordinary shares for £5million cash. Expenses were nil.

Review of Group Businesses

Digital Health (InHealthcare Limited - 94% subsidiary)

- Revenues: £6.2m (2015: £6.9m)
- Operating loss: £1.8m (2015: £1.1m)

Revenues have remained for the last two years dominated by a G-cloud accredited services contract with the NHS; the balance being predominantly trial services of our new Digital Healthcare platform and our own Apps.

In contrast all our operating costs relate to the ongoing development of our unique Digital Healthcare platform. This has been specified and the software developed to enable data from patient self-testing of conditions (e.g. warfarin dosage monitoring) to be securely transmitted, in multiple options, into the NHS internal firewalled systems and to update in real time GP Patient Records. This is an industry first and technology break through.

Our operating costs increased year-on-year as the development programme expanded.

We are encouraged to read many reports on the future funding of the NHS that assume a major increase in "digital health". Our platform is designed to be one of the necessary drivers to achieving "digital healthcare" via patient self-monitoring of conditions. Any healthcare Apps that have and are being developed require a platform to securely deliver resulting data into the NHS systems. This will enhance patient care and save scarce resources in the NHS, both reducing patient visits to clinics and redirecting scarce clinicians' resource to more acute conditions.

InHealthcare has commenced sales and marketing efforts to secure patient self-monitoring of conditions to the NHS and to Care Homes.

Share capital - InHealthcare Limited

Under an approved HMRC Employee Share Scheme 6.2million ordinary shares were issued at par to certain staff.

Wi-Fi (InTechnology Wi - Fi Limited-95% subsidiary)

- Revenue £0.5m (2015: £0.1m)
- Operating loss £3.8m (2015: £1.9m)

Revenues increased year-on-year from sales contracts for events; short term provision of Wi-Fi services. However, we plan for large media revenue streams from the two niche markets set out below. Events will not be a major revenue stream but has been used to successfully test the Wi-Fi equipment deployed. The large increase in operating costs has been for development, sales and marketing purposes to support the two niche markets.

1 Sports stadiums

We have made progress in developing and trialling our systems and various Apps for sports stadiums.

This culminated in the award to Wi-Fi to be the provider of free Wi-Fi services and an App from the Football League to all its 72 affiliated soccer clubs. Each club has to separately contract so roll-out is not immediate. However, the term is seven years for the provision of free stadium Wi-Fi and a feature rich club App which most importantly is for use 24 / 7 by all club fans, not just match day supporters.

Only when we have contracted with a number of individual clubs that we consider a viable number can we confirm this project.

For cricket clubs we install Wi-Fi on a capex basis to the club as the revenue model for soccer is not applicable. The first contract installed and operating is with Yorkshire County CC and use of the free Wi-Fi service to spectators has to date been above initial expectations with over 12,000 supporters registering and using the service. Negotiations are ongoing with the ECB regarding other cricket grounds.

STRATEGIC REPORT

CONTINUED

2 Towns and Cities

Our marketing strategy remains the provision of free Wi-Fi to the high footfall central areas of UK towns and cities contracted with the Local Authority for a ten year term.

Revenues are from the sale of advertising , sponsorship and data and is shared by each contracting party.

Following the award by a Local Authority for the provision of free Wi-Fi services it usually takes a few months to draft a detailed contract, agree wayleaves and then contract. Only then does installation commence. The past year has involved all such processes.

Since the year end we have gone live in Watford and about to commence in Edinburgh. At Watford, with limited promotion, we have already registered 30,000 users and in Edinburgh we recorded 19,000 users whilst testing only half of the Royal Mile for approximately two days. We have further contracted with Middlesbrough, Coventry, Southend, Tunbridge Wells and Windsor. There are a further thirty two towns and cities under negotiation.

Share Capital - InTechnology Wi - Fi Limited

Under an approved HMRC Employee Share Scheme 5.2million ordinary shares were issued at par.

The 40million nil paid ordinary shares issued to Holf Investments in the prior year were purchased by InTechnology plc, and made fully paid up, thus making InTechnology Wi-Fi Limited a 95 per cent subsidiary.

Holf Investments Limited will continue providing lease finance for Wi-Fi installations.

Mobile Tomado Group plc. (51.2% subsidiary) "MT"

In prior years MT was accounted for as an Associate company but from 1 May 2015 as a subsidiary following an increased investment of £871,000 as reported in last year's Annual Report.

- Revenues £2.0m 11 months
- Operating loss before tax credit £1.4m 11 months

Pro-forma results for 12 months to 31 March 2016

- Revenues £2.2m (2015: £1.97m)
- Operating loss after tax credit £1.5m (2015: £2.69m)

As reported last year we made senior management changes in 2014 and the Push-To-Talk ('PTT') software product was marketed as a SaaS. Whilst all major existing customers were retained it became clear that the new senior management team were incapable of managing the necessary technical development of MT and also no new business was won. Since our financial year end we are pleased to announce the appointment of Avi Tooba as CEO of MT. He was previously head of R&D, Motorola Solutions. Together with other new appointments, MT has quickly made several necessary changes to its technology and commenced securing new sales contracts.

Following these recent changes we remain confident of MT's move into sustained profitability and cash generation. MT operates in the enterprise class PTT market with few competitors and a global market, which is generally acknowledged by the industry, set to expand rapidly over the next few years as PTT and LTE becomes the norm as earlier technologies such as IDEN and TETRA are retired. MT's objective is to be one of the key operators in this expanding market.

Group cash and working capital requirements

- Cash at the year-end £5.1m (2105: £5.4m)
- Debt at the year-end £0.1m (2015: £nil)

Debt is finance leases in InTechnology Wi-Fi Limited for its customer contract capital expenditures. Finance lease amounts will increase as further Wi-Fi contracts are installed.

In February 2016 a placing of 50million new ordinary shares, pari passu to existing issued shares, was completed at a price per share of ten pence raising £5million. Costs were nil.

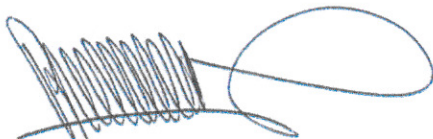
Your board regularly reviews the group's cash flow to ensure there is sufficient working capital to meet liabilities as they fall due. Forecasts for all three businesses, especially recent start-ups into Digital health and Wi-Fi, are subject to key assumptions being tested and the timing of key events assumed in the forecasts. Whilst it is possible to issue further shares if further working capital is required, I, as the controlling shareholder, have given a written undertaking to assist further funding of the group during the next twelve months.

Outlook

Your board of directors continually review all three businesses in the group and have confidence that each will achieve sustainable profits and generate positive cash flows. Each business has recently made substantial progress in its own market and each management team has the desire to succeed.

Our Staff

Finally, I wish to thank on your behalf all of our staff throughout the group for their hard work and commitment to achieving their objectives. I also thank all our partners in all areas of the business.



Peter Wilkinson
CEO, InTechnology plc
26 September 2016

DIRECTORS' REPORT

The directors present their annual report and audited financial statements of the Company and the Group for the year ended 31 March 2016.

Principal activity

InTechnology plc provides digital health services, Wi-Fi systems to the UK market and telecom services to the global market.

Going concern

Under company law the Directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Group and Company is a going concern. As part of its normal business practice budgets, cash flow forecasts and longer term financial projections are prepared. The Directors are therefore satisfied that the Group and Company have adequate resources to enable them to continue in business for the foreseeable future, which takes into account a written undertaking from Peter Wilkinson to provide the company with working capital as required for at least 12 months from the date of signing the financial statements. The Directors have therefore adopted the going concern basis in the preparation of the financial statements.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £11,234,000 (2015: loss £7,574,000). No dividend will be paid (2015: £nil).

Political contributions

The contributions made by the Group during the year for charitable purposes totalled £nil (2015: £3,900). The Group made no political contributions (2015: £nil).

Environmental matters

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health and safety issues. The Group has complied with all applicable legislation and regulations.

Future developments

The Group continues to strive to gain new contracts in all its businesses.

The Group continues to undertake the development of new products with the objective of increasing future profitability. The cost to the Group is written off to the Statement of comprehensive income as incurred.

Employee involvement

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees and the various factors affecting the performance of the Group.

The Directors recognise that continued and sustained improvement in the performance of the Group depends on its ability to attract, motivate and retain employees of the highest calibre. Furthermore, the Directors believe that the Group's ability to sustain a competitive advantage over the long term depends to a large part on ensuring that all employees contribute to the maximum of their potential. The Group is committed to improving the performance of all employees through development and training.

The Group is an equal opportunity employer. The Group's policies seek to promote an employment environment free from discrimination, harassment and victimisation and to ensure that no employee or applicant is treated less favourably on the grounds of gender, marital status, age, race, colour, nationality or national origin, disability or sexual orientation or is disadvantaged by conditions or requirements, which cannot objectively be justified. Entry into, and progression within the Group, is solely determined on the basis of work criteria and individual merit.

The Group continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities.

The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 period. 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;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT

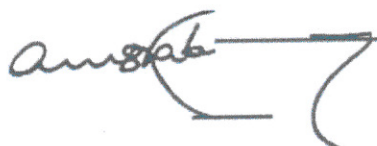
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The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure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

Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 September and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Amir', followed by a horizontal line and a large, stylized flourish or bracket-like mark.

Director

CORPORATE GOVERNANCE

InTechnology plc is an unlisted public company and is not therefore required to comply with the provisions of the UK Corporate Governance Code (the "Code"). The following disclosures are made voluntarily.

Principles of Corporate Governance

The Board recognises the value of good corporate governance as a positive contribution to the well-being of the business and believes in applying these principles in a sensible and pragmatic manner that are considered appropriate to the nature and size of the Group.

Board of Directors

The Board of Directors consists of five members, including one non-executive Director.

The role of the Chief Executive Officer is clearly defined and the activities of the Company are controlled by the Board, which meets throughout the year.

There is a formal schedule of matters specifically reserved for the full Board's decision, together with a policy enabling Directors to take independent advice in the furtherance of their duties at the Company's expense. The Board programme is designed so that Directors have regular opportunity to consider the Company's strategy, policies, budgets, progress reports and financial position and to arrive at a balanced assessment of the Company's position and prospects.

Re-election of Directors

As required by the Company's Articles of Association, Directors offer themselves for re-election at least once every three years. Any Director appointed during the year is required to seek reappointment by shareholders at the next Annual General Meeting.

The board receives reports from the following committee:

The Executive Operating Board

This comprises the executive Directors and certain senior business managers, and is chaired by the Chief Executive Officer. It acts as a general operating management committee and meets regularly for most of the year. It authorises recruitment and capital expenditure and reviews operational and financial performance.

Relations with shareholders

The Company seeks to ensure that all shareholders are kept informed about the Company and its activities.

A comprehensive annual report is sent to shareholders. The annual report is put on the websites of Asset Match (www.assetmatch.com) and the Company (www.intechnology.com).

The Annual General Meeting is a forum for shareholders' participation with the opportunity to meet and question Board members.

CORPORATE GOVERNANCE

CONTINUED

Internal control

The Board of Directors acknowledges its overall responsibility for the Company's systems of internal control and for monitoring their effectiveness. The Board has control over strategic, financial and compliance issues and has introduced a structure of responsibility with appropriate levels of authority.

The Company's Directors and varying levels of management have clear responsibilities in ensuring that the control environment operates efficiently. Clear lines of responsibility are developed through the Company's organisational structure. Ethical policies are communicated through all forms of personnel training and via appropriate procedures in establishing a code of ethics.

Although no system of internal control can provide absolute assurance against material misstatement or loss, the Company's systems are designed to provide reasonable assurance that problems are identified on a timely basis and are dealt with appropriately.

The principal features of the Company's internal financial control structures can be summarised as follows:

- Preparation of budgets and forecasts approved by the Board;
- Monthly management accounts are reviewed by the Board and the Executive Operating Board; and
- The Company's cash flow is monitored monthly.

The Board authorises capital expenditure where this is significant and all capital expenditure is first authorised by the Executive Operating Board.

The Board has continued to enhance its risk control programme, in particular, those elements which relate to ensuring that risk reviews are formally embedded in control systems rather than being the subject of formal annual reviews.

Where lapses in internal control are detected, these are rectified.

Potential risks and uncertainties

There are a number of potential risks and uncertainties that could have an impact on the Company's long term prospects.

Competitive pressures

All our businesses operate in a competitive environment.

To mitigate these competitive pressures, the Company targets niche sectors of the Digital Health, Wi-Fi systems and telecoms markets, and develops and refines its services to demonstrate a competitive edge to its existing and potential customers.

All businesses contract with agreed SLAs. Adherence by the Company to operating within such SLAs is crucial to maintaining customer satisfaction and renewal of a contract. Internal procedures ensure that SLAs are constantly monitored and resources allocated to maintain levels of service of at least a minimum of that contracted with customers.

Staff costs

As a services business, total staff costs are approximately 61% of our total operating costs. The Company could be hindered by a shortage or inability to recruit and retain qualified and experienced staff.

To mitigate this risk, the Company constantly seeks to structure its recruitment and retention strategies to attract and retain the right people.

Economy

Any economic downturn can detrimentally affect the Company's level of demand for its services.

To mitigate this risk, the Company will contract for all services on medium term contracts in order to have contracted future revenues.

Risk assessment

The Board is made aware of all risks to the Company by the executive Directors who are members of the Executive Operating Board, which includes senior managers of the Company.

The Executive Operating Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company.

REMUNERATION REPORT

Directors' remuneration

Remuneration of non-executive Directors

The remuneration of the non-executive Directors is determined by the Board, with the assistance of independent advice concerning comparable organisations and appointments. The non-executive Directors do not take part in discussions on their remuneration nor do they receive any pension from the Group.

Remuneration of executive Directors

The main aim of the Company's executive pay policy is to secure the skills and experience needed to meet its strategic business objectives. Furthermore, the Company aims to align the interests of all employees as closely as possible with the interests of shareholders through share-based incentives.

Pensions

Certain executive Directors are members of defined contribution pension schemes, the assets of which are held independently of the Company. The amounts contributed by the Company for the year ended 31 March 2016 were £12,000 (2015: £11,000).

The Company does not provide any other post-retirement benefits to the Directors.

Contracts of service

The executive Directors have contracts of service that can be terminated by the Company with the following notice periods:

Peter Wilkinson	12 months
Andrew Kaberry	6 months
Richard James	12 months
Bryn Sage	12 months

With the exception of the contract with Richard James, if the Company terminates the contract by notice but other than on giving full notice, the contracts of service provide for the payment of a fixed amount equal to the salary and other contractual benefits for the unexpired portion of the appointment or entitlement to notice, as the case may be.

REMUNERATION REPORT

CONTINUED

Directors' emoluments (audited)

The remuneration of the Directors of the Company was as follows:

	Salary	Bonus	2016 Benefits in kind	Pension contributions	Total	2015 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Executive Directors						
Peter Wilkinson	212	-	64	3	279	270
Bryn Sage	184	57	2	9	252	199
Andrew Kaberry	162	-	38	-	200	198
Richard James	162	-	4	3	169	167
	720	57	108	15	900	834
Non-executive Directors						
	Fees	Bonus	Benefits in kind	Pension contributions	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
The Rt. Hon. Lord Parkinson	50	-	-	-	50	111
Charles Scott	30	-	-	-	30	45
	80	-	-	-	80	156
Total	800	57	108	15	980	990

Benefits in kind include the provision of a company car (or car allowance), fuel, medical, life insurance and insurance relating to the Directors' duties. The bonus relates to an HMRC approved Employee Share Scheme.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTECHNOLOGY PLC

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion:

- InTechnology plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2016 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Consolidated and company statement of financial position as at 31 March 2016;
- the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated statement of cash flows for the year then ended;
- the Consolidated and company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union and, as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

- Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 group's and 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Arif Ahmad (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
26 September 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	Note	£'000	Restated £'000
Turnover	4	8,999	7,282
Cost of sales		(5,718)	(6,579)
Gross profit		3,281	703
Administrative expenses		(11,604)	(8,270)
Operating loss	5	(8,323)	(7,567)
Share of loss of associates		-	(1,136)
Total operating loss		(8,323)	(8,703)
Gain on revaluation of equity interest	13	2,989	-
Impairment of goodwill	13	(6,577)	-
Interest receivable and similar income	9	15	42
Interest payable and expenses	10	(14)	-
Loss before taxation		(11,910)	(8,661)
Tax on loss	11	1,074	1,087
Loss for the year		(10,836)	(7,574)
Total comprehensive income for the year		(10,836)	(7,574)
Non-controlling interests		(1,219)	(905)
Owners of the parent Company		(9,617)	(6,669)
		(10,836)	(7,574)

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated income statement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	£'000	2016 £'000	2015 £'000
Fixed assets				
Intangible assets	13		6,671	
Tangible assets	15		1,045	974
Investments	16			1,963
			7,716	2,937
Current assets				
Stocks	17	431		404
Debtors	18	4,146		6,948
Cash at bank and in hand	19	5,034		5,367
		9,611		12,719
Creditors: amounts falling due within one year	20	(4,949)		(2,942)
Net current assets			4,662	9,777
Total assets less current liabilities			12,378	12,714
Creditors: amounts falling due after more than one year	21		(3,587)	
Net assets			8,791	12,714
Capital and reserves				
Called up share capital	25		1,943	1,443
Share premium account			5,015	515
Other reserves			202	202
Profit and loss account			1,583	11,200
			8,743	13,360
Non-controlling interests			48	(646)
Equity attributable to owners of the parent Company			8,743	12,714

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
26 September 2016



Andrew Kaberry, Finance Director, InTechnology plc.

The notes on pages 21 to 50 form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	£'000	2016 £'000	2015 £'000
Fixed assets				
Tangible assets	15		371	578
Investments	16		16,675	15,004
			17,046	15,582
Current assets				
Stocks	17	404		404
Debtors	18	22,180		18,842
Cash at bank and in hand	19	4,822		5,298
		27,406		24,544
Creditors: amounts falling due within one year	20	(2,972)		(2,927)
Net current assets			24,434	21,617
Total assets less current liabilities			41,480	37,199
Creditors: amounts falling due after more than one year	21		(9,419)	(9,419)
Net assets			32,061	27,780
Capital and reserves				
Called up share capital	25		1,943	1,443
Share premium account			5,015	515
Other reserves			202	202
Profit and loss account			24,901	25,620
			32,061	27,780

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
26 September 2016



Andrew Kaberry, Finance Director, InTechnology plc.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 2015	1,443	515	202	11,200	13,360	(646)	12,714
Comprehensive income for the year							
Loss for the year	-	-	-	(9,617)	(9,617)	(1,219)	(10,836)
Acquisition of non - controlling interest	-	-	-	-	-	1,913	1,913
Total comprehensive income for the year	-	-	-	(9,617)	(9,617)	694	(8,923)
Shares issued during the year	500	4,500	-	-	5,000	-	5,000
Total transactions with owners	500	4,500	-	-	5,000	-	5,000
As at 31 March 2016	1,943	5,015	202	1,583	8,743	48	8,791

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 2014	1,443	515	202	71,254	73,254	(141)	73,273
Comprehensive income for the year							
Loss for the year	-	-	-	(6,669)	(6,669)	(505)	(7,174)
Total comprehensive income for the year	-	-	-	(6,669)	(6,669)	(505)	(7,174)
Dividends: Equity capital	-	-	-	(53,385)	(53,385)	-	(53,385)
Total transactions with owners	-	-	-	(53,385)	(53,385)	-	(53,385)
As at 31 March 2015	1,443	515	202	11,200	13,360	(646)	12,714

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
As at 1 April 2015	1,443	515	202	25,620	27,780
Comprehensive income for the year					
Loss for the year	-	-	-	(719)	(719)
Total comprehensive income for the year	-	-	-	(719)	(719)
Contributions by and distributions to owners	-	-	-	-	-
Shares issued during the year	500	4,500	-	-	5,000
Total transactions with owners	500	4,500	-	-	5,000
As at 31 March 2016	1,943	5,015	202	24,901	32,061

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
As at 1 April 2014	1,443	515	202	80,968	83,128
Comprehensive income for the year					
Loss for the year	-	-	-	(1,963)	(1,963)
Total comprehensive income for the year	-	-	-	(1,963)	(1,963)
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(53,385)	(53,385)
Total transactions with owners	-	-	-	(53,385)	(53,385)
As at 31 March 2015	1,443	515	202	25,620	27,780

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	2016 £'000	2015 £'000
Cash flows from operating activities	-	-
Profit for the financial year	(11,910)	(7,567)
Adjustments for:	-	-
Depreciation of tangible assets	464	187
Impairment of goodwill	6,577	130
Loss on disposal of tangible assets	-	(43)
Movement on foreign exchange	(402)	-
Increase in stocks	(27)	60
Interest paid	(14)	-
Interest received	15	42
Decrease / (Increase) in debtors	2,672	(542)
Decrease in amounts owed by associates	-	112
Increase in creditors	1,499	1,838
Corporation tax	-	135
Gain on revaluation of equity interest	(2,989)	-
Net cash generated from operating activities	(4,115)	5,648
Cash flows from / (used in) investing activities		
Purchase of tangible fixed assets	(544)	(904)
Sale of tangible fixed assets	28	50
Sale / (purchase) of fixed asset investments	(800)	(730)
Net cash used in investing activities	(1,316)	(1,584)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

	2016 £'000	2015 £'000
Cash flows from financing activities	-	-
Issue of ordinary shares	5,000	-
Repayment of/new finance leases	98	-
Dividends paid	-	(53,385)
Unpaid shares from minority interest	-	400
Net cash generated from / (used in) in financing activities	5,098	(52,985)
Net (decrease) /increase in cash and cash equivalents	(333)	(60,217)
Cash and cash equivalents at beginning of year	5,367	65,584
Cash and cash equivalents at the end of year	5,034	5,367
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,034	5,367

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. General information

InTechnology plc provides managed services to the healthcare sector, telecoms sectors and Wi-Fi services to sports stadia, towns and cities.

The Company is an unlisted public company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of its registered office is Cardale House, Cardale Court, Beckwith Head Road, Harrogate, North Yorkshire HG3 1RY.

The registered number of the Company is 03916586.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with International Financial Reporting Standards ("IFRSs"). Interpretations of the IFRS Interpretations Committee ("IFRIC") and the Companies Act 2006 applicable to companies reporting under IFRSs.

The standards used are those published by the International Accounting Standards Board ("IASB") and endorsed by the EU at the time of preparing these financial statements. The financial statements have been prepared on a going concern basis, which takes into account a written undertaking from Peter Wilkinson to provide the Group with working capital as required for at least 12 months from the date of signing the financial statements.

A summary of the more important accounting policies is set out below:

2.2 Estimates

Accounting estimates and judgements

The Group's critical accounting policies under IFRSs have been set out by management with the approval of the Audit Committee. The application of these policies requires estimates and assumptions to be made concerning the future and judgements to be made on the applicability of policies to particular situations. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Under IFRSs an estimate or judgement may be considered critical if it involves matters that are highly uncertain, or where different estimation methods could reasonably have been used, or if changes in the estimate that would have a material impact on the Group's results are likely to occur from period to period. The Directors assess that there are no critical judgements required when preparing the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

2. Accounting policies (continued)

Standards in issue not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

- Amendment to IAS 19 regarding defined benefit plans;
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint venture operation;
- Amendment to IAS 16, 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants;
- IFRS 14, 'Regulatory deferral accounts';
- Amendments to IAS 27, 'Separate financial statements' on the equity method;
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures';
- Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative;
- Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception;
- IFRS 15, 'Revenue from contracts with customers'

2.3 Group Financial Statements

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the Group's share of identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been

changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with the equity owners of the Group.

For purchases from non-controlling interests, the difference between any consideration paid and the relevant share capital acquired of the carrying value of net assets of the subsidiary is recorded as equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. Accounting policies (continued)

Associates

Associated undertakings are those companies in which the Group has a beneficial interest of between 20% and 50% in the equity capital and where the Group exercises significant influence over commercial and financial policy decisions.

The consolidated statement of comprehensive income includes the Group's shares of post-acquisition profits or losses after tax and the Group's share of other recognised gains or losses, and the Balance sheet includes the Group's share of the net assets of associated undertakings.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

2. Accounting policies (continued)

2.5 Intangible assets Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition.

Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income Statement over its useful economic life.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- 25%
Plant and machinery	- 25%
Motor vehicles	- 25%
Fixtures and fittings	- 25%
Office equipment	- 25%
Computer equipment	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated Statement of Comprehensive Income.

Accounting policies (continued)

2.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Impairment of non financial assets

The Group assesses at each year end whether an asset may be impaired.

If any evidence exists of impairment, the estimated recoverable amount is compared to the carrying value of the asset and an impairment loss is recognised where appropriate.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. In addition to this, goodwill is tested for impairment at least annually.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out- right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- (i) at fair value with changes recognised in the Income Statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- (ii) at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.18 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.21 Judgments in applying accounting policies and key sources of estimation uncertainty

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, liquidity risk and credit risk. The Group's overall risk management strategy is approved by the Board and implemented and reviewed by the Executive Operating Board.

Detailed financial risk management is then delegated to the Group Finance department which has a specific policy to manage financial risk. Regular reports are received to enable prompt identification of financial risks so that appropriate action may be taken.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

2. Accounting policies (continued)

2.21 Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

Currency risk

The Group purchases internationally and has exposure to currency risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Group uses foreign currency bank balances to manage its foreign exchange risk arising from future commercial transactions, recognised assets and liabilities.

For 2016, had the Group's basket of reporting currencies been 10% weaker/ stronger against Sterling than the actual rates experienced, post-tax profit for the year would have been £nil (2015: £0.04m) lower/higher than reported and equity would have moved by £nil (2015: £nil).

Interest rate risk

The Group has interest bearing assets. Had interest rates moved by 10 basis points, post tax losses would have moved by £nil (2015: £nil).

Liquidity risk

On a regular basis, management monitors forecasts of the Group's cash flows against internal targets to ensure that it has sufficient cash to meet operational needs, while maintaining sufficient headroom at all times.

Surplus cash held by the Group over and above the balance required for working capital management are placed on interest bearing deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the Group's cash flow forecasts.

Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products and services are made to customers with an appropriate credit

history. Cash transactions are limited to high-credit quality financial institutions.

3 Segmental analysis

The main business segments of the Group are now Digital Healthcare, Wi-Fi services, Telecom services and other services, and these are the operating segments for which management information is presented to the Group's Executive Operating Board, which is deemed to be the Group's chief operating decision maker.

The Group's Executive Operating Board monitors the operating results of the operating segments separately for the purposes of resource allocation and assessing performance. Segment performance is evaluated based on operating profit or loss which is measured in a manner consistent with that of the consolidated financial statements. Finance costs, finance income and taxation are managed on a group basis.

The Group trades by way of divisions encompassing its main business segments. The Group operates only one trade debtor and creditor accounting ledger and cash account. For this reason, a measure of segment assets and liabilities for operating segments is not provided to the Group's chief operating decision maker and is therefore not disclosed under IFRS 8.

3 Segmental analysis (continued)

	Digital Healthcare		WiFi Services		Telecom Services		Other Services		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Statement of comprehensive income										
Revenue	6,194	6,930	488	70	2,032	-	285	282	8,999	7,282
Expenses	(7,950)	(8,046)	(4,323)	(1,941)	(3,841)	-	(1,208)	(4,862)	(17,322)	(14,849)
Operating loss	(1,756)	(1,116)	(3,835)	(1,871)	(1,809)	-	(923)	(4,580)	(8,323)	(7,567)
Net finance income	-	-	-	-	-	-	-	-	1	42
Share of post tax losses of associates	-	-	-	-	-	-	-	-	-	(1,136)
Impairment	-	-	-	-	-	-	-	-	(6,577)	-
Gain on revaluation of equity interest	-	-	-	-	-	-	-	-	2,989	-
Loss before taxation	(1,756)	(1,116)	(3,835)	(1,871)	(1,809)	-	(923)	(4,580)	(11,910)	(8,661)
Taxation	-	-	-	-	-	-	-	-	676	1,087
Loss for the year	(1,756)	(1,116)	(3,835)	(1,871)	(1,809)	-	(923)	(4,580)	(11,234)	(7,574)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

4 Analysis of turnover

	2016	2015
	£'000	£'000
Analysis of turnover by country of destination:		
United Kingdom	7,078	7,282
Rest of Europe	451	-
Rest of the world	1,470	-
Total credit for the year	8,999	7,282

5 Operating loss

	2016	2015
	£'000	£'000
The operating loss is stated after charging:		
Depreciation of tangible fixed assets - owned	456	187
Depreciation of tangible fixed assets – held under finance lease	8	-
Amortisation of intangible assets, including goodwill	6,577	130
Exchange differences	545	-
Other operating lease rentals	235	226

6 Auditors' remuneration

	2016	2015
	£'000	£'000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	33	30
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	33	30

7 Employees

	2016	2015
	£'000	£'000
Staff costs, including director's remuneration, were as follows:		
Wages and salaries	5,170	3,486
Social security costs	515	554
Cost of defined contribution scheme	139	79
	<u>5,824</u>	<u>4,119</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.	2016 No.	2016 No.
Sales and marketing	15	5	-	-
Technical	55	11	-	-
Operations	13	13	-	-
Admin	28	18	16	15
	<u>111</u>	<u>47</u>	<u>16</u>	<u>15</u>

8 Directors' remuneration

	2016	2015
	£'000	£'000
Directors' emoluments	965	978
Company contributions to defined contribution pension schemes	15	12
	<u>980</u>	<u>990</u>

During the year retirement benefits were accruing to 3 directors (2015 : 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £279,000 (2015 :£270,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,000 (2015 :£3,000).

During the year 1 director received shares under an approved Employee Share Scheme (2015 : nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

9 Interest receivable

	2016	2015
	£'000	£'000
Other interest receivable	15	42
	<u>15</u>	<u>42</u>

10 Interest payable and similar charges

	2016	2015
	£'000	£'000
Bank interest payable	8	-
Finance leases and hire purchase contracts	5	-
Other interest receivable	1	-
	<u>14</u>	<u>-</u>

11 Taxation

	2016	2015
	£'000	£'000
Corporation tax		
Current tax on profits for the year	(769)	(633)
Adjustments in respect of previous periods	(305)	-
	<u>(1,074)</u>	<u>(633)</u>
Total current tax	(1,074)	(633)
Deferred tax		
Origination and reversal of timing differences	-	(454)
Total deferred tax	-	(454)
Taxation on loss on ordinary activities	<u>(1,074)</u>	<u>(1,087)</u>

11 Taxation (continued)

Factors affecting tax credit for the year

The tax assessed for the year is the higher than (2015 : higher) the standard rate of corporation tax in the UK of 20% (2015 : 21%) as set out below:

	2016 £'000	2015 £'000
Loss on ordinary activities before tax	11,910	(8,661)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 : 21%)	(2,382)	(1,819)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	60	22
Capital allowances for year in excess of depreciation	-	(76)
Adjustments to tax charge in respect of prior periods	(244)	(290)
Income not taxable	(598)	-
Goodwill impairment	1,315	-
Fixed asset differences	27	15
Other timing differences leading to an increase (decrease) in taxation	-	27
Adjust closing deferred tax to closing rate of 20%	233	-
Deferred tax not recognised	710	-
Adjustment for tax on post tax loss of associate	-	239
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(557)	(124)
Unrelieved tax losses carried forward	362	919
Total tax credit for the year	(1,074)	(1,087)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

12 Dividends

	2016 £'000	2015 £'000
Special dividend	-	53,385
	-	53,385

13 Intangible assets

Group

	Goodwill £'000
Cost	
As at 1 April 2015	-
Additions	107
On acquisition of subsidiaries	13,141
At 31 March 2016	13,248
Impairment	
As at 1 April 2015	-
Charge in the year	6,577
At 31 March 2016	(6,577)
Net book value	
At 31 March 2016	6,671
At 31 March 2016	-

13 Intangible assets (continued)

Increase in Investment of Mobile Tornado Group plc

On 16 April 2015, InTechnology plc acquired a further 1.3% of the share capital of Mobile Tornado Group plc, increasing the total shareholding to 51.2%. This was for a cash consideration of £871,000.

The book value of Mobile Tornado Group plc's assets acquired and their fair value are summarized below:

	Book value £'000
Assets	1,996
Liabilities	(10,917)
Total	(8,921)
Fair value of net Liabilities	(8,921)
InTechnology plc share of net liabilities (49.9%)	4,568
InTechnology plc share of market capitalisation as at 16 April 2015 -	4,941
Consideration paid for additional 1.3% investment in Mobile Tornado Group plc	871
Goodwill generated on investment	<u>10,380</u>

At 31 March 2016 an impairment review was undertaken on the goodwill arising on the additional investment in Mobile Tornado Group Plc using the market capitalisation on the date of the acquisition of the additional investment and that at the year end. This resulted in £6,577,000 being written off to the profit and loss account.

The increase in investment in Mobile Tornado Group plc resulted in a gain on revaluation of the investment of £2,989,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

Increase in Investment of Intechology Wi-Fi Limited

On 31 March 2016, InTechnology plc acquired a further 38% of the share capital of InTechnology Wi-Fi Limited, increasing the total shareholding to 95.05%. This was for a cash consideration of £800,000.

The book value of InTechnology Wi-Fi Limited's assets acquired and their fair value are summarized below:

	Book value £'000
Assets	381
Liabilities	(5,985)
Total	(5,604)
 Fair value of net Liabilities	 - (5,604)
 Movement in non controlling interest as a result of the increase in shareholdings	 1,961
Consideration paid for additional 38% investment in Intechology Wi-Fi Limited	871
Goodwill generated on investment	<u>2,761</u>

14 Parent Company loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the year was £719,000 (2015: loss £1,963,000).

15 Tangible fixed assets

Group

	Short-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Office Equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2015	297	404	549	178	11	362	1,801
Additions	-	491	17	1	-	35	544
Disposals	-	-	(179)	-	-	-	(179)
At 31 March 2016	297	895	387	179	11	397	2,166
Depreciation							
At 1 April 2015	60	-	393	102	8	264	827
Charge on owned assets for the year	66	102	84	33	2	64	351
Charge on leased for the year	-	113	-	-	-	-	113
Disposals	-	-	(170)	-	-	-	(170)
At 31 March 2016	126	215	307	135	10	328	1,121
Net book value							
At 31 March 2016	171	680	80	44	1	69	1,045
At 31 March 2015	237	404	156	76	3	98	974

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

15 Tangible fixed assets (continued)

Company

	Short-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Office Equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2015	297	8	549	178	11	362	1,405
Additions	-	-	17	1	-	35	53
Disposals	-	-	(179)	-	-	-	(179)
At 31 March 2016	297	8	387	179	11	397	1,279
Depreciation							
At 1 April 2015	60	-	393	102	8	264	827
Charge on owned assets for the year	66	2	84	33	2	64	251
Disposals	-	-	(170)	-	-	-	(170)
At 31 March 2016	126	2	307	135	10	328	908
At 31 March 2016	171	6	80	44	1	69	371
At 31 March 2015	237	8	156	76	3	98	578

16 Fixed asset investments

Group

	Interest in associates £'000
Cost or valuation	
As at 1 April 2015	-
Transfer to subsidiary	(1,963)
At 31 March 2016	-
At 31 March 2015	1,963

Company

	Investments in Subsidiary companies £'000
Cost or valuation	
As at 1 April 2015	15,004
Additions	1,671
At 31 March 2016	16,675

Net book value

At 31 March 2016	16,675
At 31 March 2015	15,004

Investments in Group undertakings are stated at cost. As permitted by section 615 of the Companies Act 2006, where the relief afforded under sections 612 and 613 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings. The Directors consider that to give full particulars of all subsidiary undertakings would lead to a statement of excessive length. A list of principal subsidiary undertakings and associates is given below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

16 Fixed asset investments (continued)

Details of the investments at 31 March 2016 in which the Group or Company holds more than 20% of the nominal value of ordinary share capital are as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
InTechnology Wi-Fi Limited	England	Ordinary	95.05%	Wi-Fi Services
InHealthcare Limited services	England	Ordinary	94.16%	Digital health
Mobile Tornado Group plc	England	Ordinary	51.20%	Telecom services
Live PA Limited	England	Ordinary	76.00%	Dormant
EEscape Holdings Limited	England	Ordinary	100.00%	Dormant
Evexus Limited	England	Ordinary	100.00%	Dormant
Call Link Communications Limited	England	Ordinary	100.00%	Dormant
Allasso Limited	England	Ordinary	100.00%	Dormant
Holf Technologies Limited	England	Ordinary	100.00%	Dormant
V Data Limited	England	Ordinary	100.00%	Dormant
Integrated Technology (Europe) Limited	England	Ordinary	100.00%	Dormant
Smart Wi-Fi Limited	England	Ordinary	100.00%	Dormant
Smart Wi-Fi Events Limited	England	Ordinary	100.00%	Dormant
Smart Stadiums Limited	England	Ordinary	100.00%	Dormant

17 Stocks

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Finished goods and goods for resale	431	404	404	404
	431	404	404	404

The difference between purchase price or production cost of stocks and their replacement cost is not material

18 Debtors

	Group	Group	Company	Company
	2016	2015	2016	2015
	£000	£000	£000	£000
Due after more than one year				
Amounts owed by group undertakings	104	-	17,979	12,907
Deferred tax asset	521	521	555	555
Due within one year				
Trade debtors	1,618	1,073	783	1,058
Amounts owed by joint ventures and associated undertakings	-	964	-	964
Other debtors	545	1,393	299	994
Prepayments and accrued income	960	2,364	2,564	2,364
Tax recoverable	398	633	-	-
	4,146	6,948	22,180	18,842

19 Cash and cash equivalents

	Group	Group	Company	Company
	2016	2015	2016	2015
	£000	£000	£000	£000
Cash at bank and in hand	5,034	5,367	4,822	5,298
	5,034	5,367	4,822	5,298

20 Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade creditors	3,335	1,311	1,446	1,311
Corporation tax	-	96	-	155
Taxation and social security	132	108	132	108
Obligations under finance lease and hire purchase contracts	24	-	-	-
Other creditors	321	314	256	240
Accruals and deferred income	1,137	1,113	1,138	1,113
	4,949	2,942	2,972	2,927

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

21 Creditors: Amounts falling due after more than one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Net obligations under finance leases and hire purchase contracts	73	-	-	-
Amounts owed to group undertakings	-	-	9,419	9,419
Other creditors	2,514	-	-	-
	<u>2,587</u>	<u>-</u>	<u>9,419</u>	<u>9,419</u>

Amounts owed to Group undertakings are unsecured, bear no interest and have no fixed repayment date.

22 Hire purchase and finance leases

	Group 2016 £000
Within one year	24
Between 1-2 years	26
Between 2-5 years	47
	<u>97</u>

23 Financial instruments

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Financial assets				
Financial assets measured at fair value through profit or loss	5,034	5,367	4,822	5,298
Financial assets that are debt instruments measured at amortised cost	3,003	3,466	19,577	15,923
	<u>8,037</u>	<u>8,833</u>	<u>24,399</u>	<u>21,221</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(7,344)	(2,738)	(12,259)	(12,083)
	<u>(7,344)</u>	<u>(2,738)</u>	<u>(12,259)</u>	<u>(12,083)</u>

24 Deferred taxation

Group

	Deferred tax 2016 £000
At 1 April 2015	521
At 31 March 2016	521

Company

	Deferred tax 2016 £000
At 1 April 2015	555
At 31 March 2016	555

The deferred tax balances included in these financial statements are attributable to the following:

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Financial assets				
Excess of depreciation over capital allowances	47	47	47	47
Provisions	18	18	18	18
Losses and other deductions	456	456	490	490
	521	521	555	555

25 Share capital

	2016 £000	2015 £000
Authorised		
252,000,000 Ordinary shares of £0.01 each	2,520	2,520
Allotted, called up and fully paid		
194,282,600 (2015 : 144,282,600) Ordinary shares of £0.01 each	1,943	1,443

On 17 February 2016 a further 50 million ordinary shares were issued at 10p per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016 - CONTINUED

26 Reserves

Profit and loss account

Movements on the Profit and loss account are shown within the consolidated statement of changes in equity on page 18.

27 Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £92,000 (2015: £79,000). Contributions totalling £12,000 (2015: £8,000) were payable to the fund at the reporting date.

28 Commitments under operating leases

At 31 March 2016 the Group and the Company had future minimum lease payments under non- cancellable operating leases as follows:

	Group	Group	Company	Company
	2016	2015	2016	2015
	£000	£000	£000	£000
Not later than 1 year	222	215	185	185
Later than 1 year and not later than 5 years	726	763	726	738
Later than 5 years	-	138	-	138
Total	948	1,116	911	1,061

29 Finance lease commitment

There were no commitments existing at the reporting date in respect of finance leases entered into but whose inception occurs after the reporting date.

30 Related party transactions

Peter Wilkinson, Richard James and Andrew Kaberry are shareholders in Mobile Tornado Group plc, an AIM listed company in which InTechnology plc owns 51.2% of the issued ordinary share capital and all the issued cumulative redeemable non-voting preference shares. Peter Wilkinson is non-executive Chairman and Richard James is a Director and Company Secretary of Mobile Tornado Group plc.

InTechnology plc sold services totalling £nil (2015: £240,000) to Mobile Tornado Group plc in the year. As at 31 March 2016 InTechnology plc was owed £699,000 (2015: £964,000) by Mobile Tornado Group plc. On 16 April 2015 £871,000 was subscribed for Ordinary shares increasing InTechnology plc investment to 51.2%.

Peter Wilkinson is a shareholder of Holf Investments Limited which is incorporated in the United Kingdom. InTechnology Wi-Fi Limited purchased fixed assets totalling £96,000 (2015: £nil) under separate finance leases. Holf Investments Limited sold its 400,000 £1 shares in InTechnology Wi-Fi Limited to InTechnology plc on 31 March 2016 for £800,000. As at 31 March 2016 InTechnology plc owed £73,000 (2015: £nil) to Holf Investments Limited.

Joanne Wilkinson, wife of Peter Wilkinson, owns the entire share capital of My Possible Self Limited. InTechnology plc purchased services totalling £16,000 in the year (2015: £32,000). The amount owed to My Possible Self Limited at the year end amounted to £nil (2015: £nil).

Andrew Kaberry, a director of InTechnology plc owed the company £123,000 (2015: £nil) at 31 March 2016.

All transactions with related parties were carried out on an arm's length basis.

31 Controlling party

The Directors consider Peter Wilkinson to be the ultimate controlling party by virtue of his personal shareholding in the Company and via Holf Investments Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("the Meeting") of InTechnology plc (the "Company") will be held at Cardale House, Cardale Court, Beckwith Head Road, Harrogate, North Yorkshire, HG3 1RY on Friday 20 January 2017 at 9.30am to transact the following business:

Ordinary Business

- 1 To receive and adopt the report of the Directors of the Company ("the Directors"), the report of the independent auditors of the Company and the financial statements of the Company for the year ended 31 March 2016.
- 2 To reappoint Charles Scott as a Director, who retires by rotation in accordance with Article 92 of the Articles of Association of the Company ("Article 92") and who, being eligible, offers himself for reappointment as a Director.
- 3 To reappoint Peter Wilkinson as a Director, who retires by rotation in accordance with Article 92 and who, being eligible, offers himself for reappointment as a Director.
- 4 To reappoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which financial statements are laid before the Company and that their remuneration be fixed by the Directors.

Special Business


- 5 That, in substitution for all subsisting authorities to the extent unused, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("CA 2006") to exercise all the powers of the Company to allot and grant equity securities (within the meaning of section 560 of the CA 2006) up to an aggregate nominal amount of £500,000, provided that such authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution 5, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or granted after such expiry and, notwithstanding such expiry, the Directors may allot or grant equity securities in pursuance of any such offer or agreement.
- 6 That, subject to the passing of Resolution 5, in substitution for all subsisting authorities to the extent unused, the Directors be and they are hereby empowered to allot equity securities (within the meaning of section 560 of the CA 2006) for cash or otherwise pursuant to the authority given by Resolution 5 and/or to allot equity securities where such allotment constitutes an allotment of securities by way of section 560(2)(b) of the CA 2006, as if section 561 of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- a) in connection with an offer of such securities by way of rights issue or other issues in favour of holders of Ordinary Shares in the Company where the equity securities respectively attributed to the interests of all such holders are proportionate (as nearly as may be practical) to their respective holdings of Ordinary Shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever); and

- b) otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £500,000; and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution 6, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and notwithstanding such expiry the Directors may allot equity securities in pursuance of such offer or agreement.

Dated 26 September 2016

By order of the Board

A handwritten signature in black ink, appearing to read 'Andrew Kaberry', followed by a horizontal line and a large, stylized flourish or checkmark.

Andrew Kaberry

Director

For and on behalf of InTechnology plc

Cardale House, Cardale Court,

Beckwith Head Road,

Harrogate,

North Yorkshire HG3 1RY

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Entitlement to attend and vote

- 1 Only those members registered on the Company's register of members at:
 - 6.00pm on 18 January 2017; or,
 - if this Meeting is adjourned, at 6.00pm on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Appointment of proxies

- 2 As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- 3 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
- 4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Capita Registrars at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.
- 5 If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

- 6 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to Capita Registrars at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; and
 - received by Capita Registrars by no later than 9.30am on 20 January 2017.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

- 7 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

- 8 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

Termination of proxy appointments

- 9 In order to revoke a proxy instruction you will need to inform Capita Registrars by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Registrars by no later than 9.30am on 20 January 2017.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Communication

- 10 Except as provided above, members who wish to communicate with the Company in relation to the Meeting should write to the Company Secretary, InTechnology plc, Cardale House, Cardale Court, Beckwith Head Road, Harrogate, North Yorkshire HG3 1RY.

No other methods of communication will be accepted.

FORM OF PROXY FOR INTECHNOLOGY PLC

(incorporated and registered in England and Wales under number 03916586) (the "Company")

For use by holders of Ordinary Shares of 1p each in the Company at the Annual General Meeting of the Company to be held at Cardale House, Cardale Court, Beckwith Head Road, Harrogate, North Yorkshire HG3 1RY on **Friday 20 January 2017 at 9.30am** (the "AGM"). Please read the Notice of AGM and the notes to this proxy form.

I/We:	(please insert name of the Shareholder(s) in BLOCK CAPITALS)
of:	(please insert full postal address of the Shareholder(s) in BLOCK CAPITALS)

being Shareholder(s) entitled to attend, speak and vote at meetings of shareholders of the Company, hereby appoint the Chairman of the AGM or (see note 3):

--

as my/our proxy to attend, speak and vote on my/our behalf at the AGM of the Company to be held on Friday 20 January 2017 at 9.30am and at any adjournment of the meeting.

I/We direct my/our proxy to vote on the following resolutions as I/we have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is properly put before the meeting.

RESOLUTIONS	For	Against	Vote Withheld
ORDINARY BUSINESS			
1. Receipt and adoption of Directors' report and financial statements			
2. Reappointment of Charles Scott			
3. Reappointment of Peter Wilkinson			
4. Reappointment of PricewaterhouseCoopers LLP as auditors of the Company and Directors' authority to fix their remuneration			
SPECIAL BUSINESS			
5. Ordinary resolution to authorise Directors to allot equity securities			
6. Special resolution to disapply statutory pre-emption provisions			

Dated	
Signed	

Notes to the proxy form

- As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes and the notes to the Notice of AGM.
- Submission of a proxy form does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Capita Registrars at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.
- To direct your proxy how to vote on the resolutions, mark the appropriate box with an 'X'. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- To appoint a proxy using this form, the form must be:
 - completed and signed;
 - sent or delivered to Capita Registrars at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; and
 - received by Capita Registrars by no later than 9.30 January 2017.
- In the case of a member which is a company, this form of proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the Notice of AGM.

AFTER FOLDING SECURE EDGE WITH STICKY TAPE

INTECHNOLOGY PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

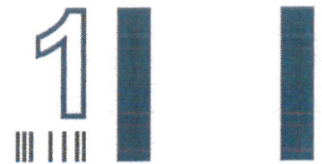
AFTER FOLDING SECURE EDGE WITH STICKY TAPE

AFTER FOLDING SECURE EDGE WITH STICKY TAPE

FOLD ALONG DOTTED LINE

Business Reply Plus
Licence Number
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PXS 1
34 Beckenham Road
BECKENHAM
BR3 4TU

CORPORATE INFORMATION

BOARD OF DIRECTORS

Charles Scott
Peter Wilkinson
Richard James
Andrew Kaberry
Bryn Sage

Non-executive Director
Chief Executive Officer
Director & Company Secretary
Finance Director
Director, and CEO InHealthcare Ltd

REGISTERED OFFICE

Cardale House
Cardale Court
Beckwith Head Road
Harrogate
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