

ASSOCIATED TECHNOLOGIES LIMITED

STATEMENT OF FINANCIAL ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 1999

COMPANY NUMBER: 2815753



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ASSOCIATED TECHNOLOGIES LIMITED

COMPANY INFORMATION

31 DECEMBER 1999

Director	C E Moore
Secretary	L Moore
Registered Office	Churchfields Stonefield Witney Oxon OX8 8PQ
Bankers	Lloyds Bank Plc Oxford Branch P O Box 8 1/5 High Street Oxford OX1 4AA
Auditors	F M C B Chartered Accountants and Registered Auditor Hathaway House Popes Drive Finchley London N3 1QF

REPORT OF THE DIRECTOR

The Director submits his report and the accounts for the year ended 31 December 1999.

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £430,324.

The director does not recommend that a dividend be paid on the shares of the company for the year ended 31 December 1999 leaving £319,496 to be set against reserves.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of a holding and investment Company.

FIXED ASSETS

The movement of fixed assets are shown in the notes to the accounts.

DONATIONS

The Company made charitable donations during the year of £400.

There were no political contributions made by the company during the year.

TAXATION

The Director is of the opinion that the company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

DIRECTOR

The director of the company during the year and his interest in the shares of the company either directly or indirectly was :

<u>Name</u>	<u>Class of Shares</u>	<u>Beginning and End of Year</u>
C E Moore	'A'	864

There were no contracts of significance in which the director is or was materially interested either during or at the end of the financial year, except as set out in the notes to the accounts.

AUDITORS

A resolution in accordance with Section 385 of the Companies Act 1985, for the reappointment of Messrs. F M C B, Chartered Accountants, as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board.



L Moore

Secretary

DIRECTOR'S RESPONSIBILITIES

2.

FOR THE FINANCIAL STATEMENTS

ASSOCIATED TECHNOLOGIES LIMITED

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the company and of the profit or loss of the company for that year. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

.....
C E Moore - Director

2 May 2001

OF ASSOCIATED TECHNOLOGIES LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (March 1999) under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 2 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



F M C B
Chartered Accountants and
Registered Auditor
Hathaway House
Popes Drive
Finchley
London N3 1QF

PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 1999

	<u>Notes</u>		<u>1998</u>
Administrative Costs		459,232	289,749
Other Operating Income		532,914	355,052
		-----	-----
Operating Profit	2	73,682	65,303
Exceptional Items	5	344,798	-
		-----	-----
		418,480	65,303
Interest Receivable less Interest Payable	3	11,844	17,209
		-----	-----
<u>Profit on ordinary activities before taxation</u>		430,324	82,512
Taxation	6	110,828	19,614
		-----	-----
Profit for the year after taxation		319,496	62,898
Dividends		-	109,000
		-----	-----
<u>Retained Profit (Loss) for the year</u>	13	£319,496	£(46,102)
		=====	=====

There are no recognised gains and losses in 1999 or 1998 for the Company other than as stated in the profit and loss account.

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

BALANCE SHEET AT 31 DECEMBER 1999

<u>FIXED ASSETS</u>	<u>Notes</u>	<u>1999</u>	<u>1998</u>
Tangible Assets	7	2,576,107	2,132,074
Investment in Associated Company	8	1,746,023	1,733,042
Investment in Subsidiaries	9	30,701	30,701
		-----	-----
		4,352,831	3,895,817
<u>CURRENT ASSETS</u>			
Debtors	10	2,179,664	1,734,944
<u>CREDITORS</u>			
Amounts falling due within one year	11	2,234,397	1,652,159
		-----	-----
Net Current (Liabilities) Assets		(54,733)	82,785
		-----	-----
<u>NET ASSETS</u>		£4,298,098	£3,978,602
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital 12		864	864
Capital Redemption Reserve		36	36
Profit and Loss Account 13		4,297,198	3,977,702
		-----	-----
Shareholders' Funds 14		£4,298,098	£3,978,602
		=====	=====

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

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies were approved by the board on 2 May 2001 and signed on its behalf.

.....
C E Moore - Director

2 May 2001

NOTES FORMING PART OF THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 1999

1. ACCOUNTING POLICIES

The accounting policies for the Company during the year are set out below.

The accounts have been prepared under the historical cost convention.

The company and its subsidiary undertakings, form a medium sized group as defined by statute and therefore the company has availed itself of the exemption under Section 248 of the Companies Act 1985 not to prepare group accounts.

Depreciation

Depreciation is provided on all tangible fixed assets, except freehold land and buildings, at rates calculated to write off the cost of each asset over its expected useful life on a straight line basis:

	<u>Annual Rate</u>
Narrowboat and Yacht	10%
Improvements to Buildings	10%
Plant, Fixtures and Fittings	20%
Vehicles	33%

Deferred Taxation

It is the intention of the company to continue trading and in so doing the company is pursuing a policy of constant replacement and renewals of its fixed assets. Taking, therefore, one year with another, the director does not consider it necessary to provide for deferred taxation.

Pension Contributions

The costs of providing pensions for the company's employees are taken into account in arriving at the operating results, in the year during which the company derives benefit from the employees services.

2. OPERATING PROFIT 1999 1998

Operating Profit has been arrived
at after accounting for:

Auditors Remuneration and Expenses	£ 10,000	£10,000
Depreciation	109,141	93,948
	=====	=====

NOTES CONTINUED

3.	<u>INTEREST</u>	<u>1999</u>	<u>1998</u>
	<u>Receivable</u>		
	Bank Interest	13,979	18,072
	<u>Payable</u>		
	On loans repayable within five years		
	Bank and Loan Interest	(2,135)	(863)
		-----	-----
		£11,844	£17,209
		=====	=====

4.	<u>STAFF COSTS</u>		
	Administration and Other	140,119	72,488
	Pension Contributions	12,000	12,000
		-----	-----
		£152,119	£84,488
		=====	=====
	<u>Average number of employees:</u>	<u>Number</u>	<u>Number</u>
	Office and Administration	7	7
		===	===
	<u>Pension Scheme</u>		

The Company Pension Scheme is a defined contribution benefit scheme. The contributions paid during the year have been taken into account in arriving at the operating profit.

5.	<u>EXCEPTIONAL ITEMS</u>	<u>1999</u>	<u>1998</u>
	Profit on Sale of Freehold Properties	£344,798	£ -
		=====	=====

6.	<u>TAXATION</u>		
	Based on the adjusted profits for the year		
	Corporation Tax @ 31%/30% (1998 20%)	94,500	5,100
	Tax Credit on Dividends	16,328	14,514
		-----	-----
		£110,828	£19,614
		=====	=====

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

ASSOCIATED TECHNOLOGIES LIMITED

8.

NOTES CONTINUED

7. TANGIBLE ASSETS

<u>Cost</u>	<u>Narrow Boat and Yacht</u>	<u>Freehold Land and Buildings</u>	<u>Improvements to Buildings</u>	<u>Plant, Fixtures and Fittings</u>	<u>Vehicles</u>	<u>Total</u>
At beginning of year	116,213	1,543,997	477,246	131,724	24,771	2,293,951
Additions	58,750	824,830	55,678	52,949	26,168	1,018,375
Disposal	-	(456,836)	-	-	(16,731)	(473,567)
At end of year	£174,963	1,911,991	532,924	184,673	34,208	2,838,759

Depreciation

At beginning of year	27,032	-	83,200	40,708	10,937	161,877
Charge for the year	17,496	-	47,725	36,459	7,461	109,141
Disposals	-	-	-	-	(8,366)	(8,366)
At end of year	£ 44,528	-	130,925	77,167	10,032	262,652

Net Book Value

At 31 December 1999	£130,435	1,911,991	401,999	107,506	24,176	2,576,107
At 31 December 1998	£ 89,181	1,543,997	394,046	91,016	13,834	2,132,074

NOTES CONTINUED

8.	<u>INVESTMENT IN ASSOCIATED COMPANY</u>	<u>1999</u>	<u>1998</u>
	At beginning of the year	1,733,042	1,687,229
	Additions	12,981	45,813
		-----	-----
	At end of year	£1,746,023	£1,733,042
		=====	=====

9.	<u>INVESTMENT IN SUBSIDIARY COMPANIES</u>		
	At beginning and end of year	£30,701	£30,701
		=====	=====

10.	<u>DEBTORS</u>		
	Due within one year		
	Trade Debtors	139,884	67,545
	Other Debtors	894,341	256,856
	ACT Recoverable	7,211	7,211
	Amounts owed by group undertakings	388,228	403,332
	Deferred Consideration	250,000	250,000
		-----	-----
		1,679,664	984,944
	Due after more than one year		
	Deferred Consideration	500,000	750,000
		-----	-----
		£2,179,664	£1,734,944
		=====	=====

The Deferred Consideration arose from the sale of Ambridge Business Systems Limited to Torex Plc. It is receivable in equal instalments on 10 December 1999, 2000 and 2001.

11.	<u>CREDITORS - Amounts falling due within one year</u>	<u>1999</u>	<u>1998</u>
	Bank Overdraft	466,148	23,311
	Trade Creditors	192,125	110,238
	Taxation and Social Security	18,401	3,274
	Director's Current Account	504,631	560,873
	Accruals	30,000	20,000
	ACT Payable	7,211	7,211
	Corporation Tax	621,300	527,571
	Amounts owed to group undertakings	394,581	394,581
		-----	-----
		£2,234,397	£1,647,059
		=====	=====

NOTES CONTINUED

12.	<u>SHARE CAPITAL</u>	<u>1999</u>	<u>1998</u>
	Authorised: 864 'A'	864	864
	50 'B'	50	50
	50 'C'	50	50
		-----	-----
		£ 964	£ 964
		=====	=====
	Issued and Fully Paid: 864 'A' shares of £1 each	£ 864	£ 864
		=====	=====
13.	<u>RESERVES</u>		
	Retained Profit brought forward	3,977,702	4,023,804
	Profit (Loss) for the year	319,496	(46,102)
		-----	-----
	Retained Profit carried forward	£4,297,198	£3,977,702
		=====	=====
14.	<u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS</u>		
	Profit for the year	319,496	62,898
	Less Dividends	-	(109,000)
		-----	-----
	Addition (Subtraction) to Shareholders' Funds	319,496	(46,102)
	Opening Shareholders Funds	3,978,602	4,024,704
		-----	-----
	Closing Shareholders Funds	£4,298,098	£3,978,602
		=====	=====
15.	<u>CONTINGENT LIABILITIES</u>		

The company has entered into cross guarantees with its subsidiaries in respect of the groups facilities with Lloyds Bank Plc.

NOTES CONTINUED16. INVESTMENTS

Details of the principal investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

<u>Name of Company</u>	<u>Share Type</u>	<u>Percentage Held</u>	<u>Business Activity</u>
VSW Instruments Limited	'A' Ordinary	100%	Dormant
	'C' Ordinary	100%	
Brandexpert Limited	Ordinary	83 1/3%	Property Holding Company (Dormant from August 1998)

Subsidiary Companies of Brandexpert Limited

Roset Limited	Ordinary	100%	Dormant
Smart Terminals (Installations) Limited	Ordinary	100%	Dormant
Smart Terminals (Network) Limited	Ordinary	100%	Dormant

All of the above companies are incorporated in England.

17. TRANSACTIONS INVOLVING DIRECTOR

During the year, the Company invoiced Torex Plc for management services provided in the amount of £237,600. Mr C E Moore is also a director and shareholder of that Company.