

Company Registration No. 2815753 (England and Wales)

ASSOCIATED TECHNOLOGIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005



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ASSOCIATED TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	C E Moore S J Moore
Secretary	S J Moore
Company number	2815753
Registered office	South Court Hardwick Business Centre Noral Way Banbury Oxfordshire OX16 1AF
Auditors	Spencer Gardner Dickins Limited 3 Coventry Innovation Village Cheetah Road Coventry West Midlands CV1 2TL
Bankers	Lloyds TSB Bank Plc Oxford Branch P O Box 8 1/5 High Street Oxford OX1 4AA

ASSOCIATED TECHNOLOGIES LIMITED

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ASSOCIATED TECHNOLOGIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and financial statements for the year ended 31 December 2005.

Principal activities

The principal activities of the company continued to be that of farming, the provision of management services, and that of a trading group holding company.

Directors

The following directors have held office since 1 January 2005:

C E Moore
S J Moore

Directors' interests

The directors' interests in the shares of the company were as stated below:

	'A' ordinary shares of £ 1 each	
	31 December 2005	1 January 2005
C E Moore	1,029,182	1,029,182
S J Moore	-	-

Charitable donations	2005	2004
	£	£

During the year the company made the following payments:

Charitable donations	300	105,838
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Auditors

In August 2006 PricewaterhouseCoopers LLP resigned as auditors and Spencer Gardner Dickins Limited were appointed auditors to the company to fill the casual vacancy. In accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

ASSOCIATED TECHNOLOGIES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

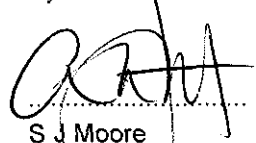
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



S J Moore
Secretary
10/11/06

ASSOCIATED TECHNOLOGIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ASSOCIATED TECHNOLOGIES LIMITED

We have audited the financial statements of Associated Technologies Limited for the year ended 31 December 2005 set out on pages 5 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 directors 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 16 to the financial statements.

ASSOCIATED TECHNOLOGIES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF ASSOCIATED TECHNOLOGIES LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended ; and
- have been properly prepared in accordance with the Companies Act 1985.

Spencer Gardner Dickins Limited

Spencer Gardner Dickins Limited

10/11/06

Chartered Accountants
Registered Auditor

3 Coventry Innovation Village
Cheetah Road
Coventry
West Midlands
CV1 2TL

ASSOCIATED TECHNOLOGIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Turnover		44,595	83,708
Cost of sales		(49,448)	(76,739)
Gross (loss)/profit		(4,853)	6,969
Administrative expenses		(1,255,648)	(13,203,964)
Other operating income		47,257	35,463
Operating loss	2	(1,213,244)	(13,161,532)
Investment income	3	20,800	19,478,948
Other interest receivable and similar income	3	406,686	348,153
Amounts written off investments	4	(270,919)	-
Interest payable and similar charges		(291,902)	(119,015)
(Loss)/profit on ordinary activities before taxation		(1,348,579)	6,546,554
Tax on (loss)/profit on ordinary activities	5	28,726	(68,159)
(Loss)/profit for the year	13	(1,319,853)	6,478,395

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

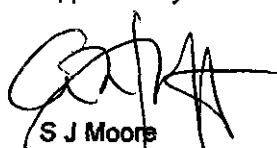
ASSOCIATED TECHNOLOGIES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	£	2005 £	£	2004 £
Fixed assets					
Tangible assets	7		1,996,212		2,380,671
Investments	8		12,620,033		12,735,016
			<u>14,616,245</u>		<u>15,115,687</u>
Current assets					
Stocks		70,172		45,538	
Debtors	9	7,435,584		5,211,611	
Cash at bank and in hand		7,018,767		8,167,780	
			<u>14,524,523</u>	<u>13,424,929</u>	
Creditors: amounts falling due within one year	10	(16,398,491)		(14,128,486)	
Net current liabilities			<u>(1,873,968)</u>		<u>(703,557)</u>
Total assets less current liabilities			<u>12,742,277</u>		<u>14,412,130</u>
Capital and reserves					
Called up share capital	12		1,029,182		1,029,182
Other reserves	13		468		468
Profit and loss account	13		11,712,627		13,382,480
Shareholders' funds	14		<u>12,742,277</u>		<u>14,412,130</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board and authorised for issue on 10 November 2006


S J Moore
Director

ASSOCIATED TECHNOLOGIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
Net cash outflow from operating activities	(1,519,920)	(5,135,141)
Returns on investments and servicing of finance		
Interest received	406,686	348,153
Interest paid	(291,902)	(119,015)
Dividends received	20,800	1,745,673
Net cash inflow for returns on investments and servicing of finance	135,584	1,974,811
Taxation	88,978	(455,000)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(126,971)	(406,735)
Payments to acquire investments	(310,870)	(164,983)
Receipts from sales of tangible assets	457,700	89,325
Receipts from sales of investments	154,934	23,098,305
Director's loan account repayment	-	(2,024,260)
Net cash inflow for capital expenditure	174,793	20,591,652
Equity dividends paid	(350,000)	(3,500,000)
Net cash (outflow)/inflow before management of liquid resources and financing	(1,470,565)	13,476,322
(Decrease)/increase in cash in the year	(1,470,565)	13,476,322

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

1	Reconciliation of operating loss to net cash outflow from operating activities	2005	2004
		£	£
	Operating loss	(1,213,244)	(13,161,532)
	Depreciation of tangible assets	111,430	202,448
	Profit on disposal of tangible assets	(57,700)	-
	(Increase)/decrease in stocks	(24,634)	7,298
	(Increase)/decrease in debtors	(2,354,733)	(550,031)
	Increase in creditors within one year	2,018,961	8,366,676
	Net cash outflow from operating activities	(1,519,920)	(5,135,141)

2	Analysis of net funds	1 January 2005	Cash flow	Other non-cash changes	31 December 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	8,167,780	(1,149,013)	-	7,018,767
	Bank overdrafts	-	(321,552)	-	(321,552)
	Net funds	8,167,780	(1,470,565)	-	6,697,215

3	Reconciliation of net cash flow to movement in net funds	2005	2004
		£	£
	(Decrease)/increase in cash in the year	(1,470,565)	13,476,322
	Movement in net funds in the year	(1,470,565)	13,476,322
	Opening net funds/(debt)	8,167,780	(5,308,542)
	Closing net funds	6,697,215	8,167,780

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company and its subsidiary undertakings form a small 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. The financial statements present information about the company as an individual undertaking and not about its group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life on a straight line basis, as follows:

Freehold land and buildings	2% Straight line
Improvements to buildings	10% Straight line
Plant, fixtures and fittings	5% to 20% Straight line
Motor vehicles	33% Straight line

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

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

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

2	Operating loss	2005	2004
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	111,430	202,448
	Auditors' remuneration	12,500	18,000
	Directors' emoluments	32,500	10,175,190
	and after crediting:		
	Profit on disposal of tangible assets	(57,700)	(36,267)
	Profit on foreign exchange transactions	(73,500)	-
		<u> </u>	<u> </u>
3	Investment income	2005	2004
		£	£
	Income from shares in group undertakings	-	1,745,673
	Income from other fixed asset investments	20,800	17,733,275
	Bank interest	406,686	348,153
		<u> </u>	<u> </u>
		427,486	19,827,101
		<u> </u>	<u> </u>
4	Amounts written off investments	2005	2004
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	270,919	-
		<u> </u>	<u> </u>

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

5	Taxation	2005 £	2004 £
	Domestic current year tax		
	Adjustment for prior years	(28,726)	68,159
	Current tax charge	(28,726)	68,159
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(1,348,579)	6,546,554
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004 - 30.00%)	(404,574)	1,963,966
	Effects of:		
	Non deductible expenses	302,138	(458,339)
	Capital allowances	(8,785)	15,576
	Adjustments to previous periods	(28,726)	68,159
	Other tax adjustments	111,221	(1,521,203)
		375,848	(1,895,807)
	Current tax charge	(28,726)	68,159

The financial statements include no provision for deferred taxation. Should an asset for deferred tax be included then the balance at the year end would be £461,250 in respect of trading losses (2004 - £436,004).

6	Dividends	2005 £	2004 £
	Ordinary interim paid	350,000	3,500,000

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

7 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2005	2,484,529	423,476	2,908,005
Additions	98,491	28,480	126,971
Disposals	(400,000)	(97,467)	(497,467)
At 31 December 2005	2,183,020	354,489	2,537,509
Depreciation			
At 1 January 2005	220,755	306,579	527,334
On disposals	-	(97,467)	(97,467)
Charge for the year	61,325	50,105	111,430
At 31 December 2005	282,080	259,217	541,297
Net book value			
At 31 December 2005	1,900,940	95,272	1,996,212
At 31 December 2004	2,263,774	116,897	2,380,671

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

8 Fixed asset investments

	Listed investments	Unlisted investments	Shares in group undertakings and participating interests	Total
	£	£	£	£
Cost				
At 1 January 2005	154,934	10,049	12,570,033	12,735,016
Additions	-	310,870	-	310,870
Disposals	(154,934)	-	-	(154,934)
At 31 December 2005	-	320,919	12,570,033	12,890,952
Provisions for diminution in value				
At 1 January 2005	-	-	-	-
Charge for the year	-	270,919	-	270,919
At 31 December 2005	-	270,919	-	270,919
Net book value				
At 31 December 2005	-	50,000	12,570,033	12,620,033
At 31 December 2004	154,934	10,049	12,570,033	12,735,016
	Market value	Directors' valuation		
	£	£		
At 31 December 2005	-	50,000		
At 31 December 2004	208,000	10,049		

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
AT Air Limited	England and Wales	Ordinary	100.00
Hesgold Limited	England and Wales	Ordinary	100.00
Speed 8765 Limited	England and Wales	Ordinary	100.00
Participating interests			
Gooddies Limited	England and Wales	Ordinary	26.00

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2005 £	Profit for the year 2005 £
AT Air Limited	Helicopter hire	10,935,294	(131,148)
Heskgold Limited	Dormant	-	-
Speed 8765 Limited	Dormant	-	-
Gooddies Limited	Wholesaler of clothing & footwear	379,124	103,224

All of the above companies have a financial year end of 31 December except Speed 8765 Limited which has a financial year end of 31 May.

9 Debtors	2005 £	2004 £
Trade debtors	4,395	3,054
Amounts owed by group undertakings and undertakings in which the company has a participating interest	3,172,968	3,109,126
Other debtors	4,258,221	2,099,431
	<u>7,435,584</u>	<u>5,211,611</u>

10 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	321,552	-
Trade creditors	78,554	44,601
Amounts owed to group undertakings and undertakings in which the company has a participating interest	14,108,092	11,906,505
Taxation and social security	1,812,519	1,882,795
Other creditors	77,774	294,585
	<u>16,398,491</u>	<u>14,128,486</u>

The bank overdraft is secured.

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

11 Pension costs

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	-	45,428

12 Share capital

	2005 £	2004 £
Authorised 2,000,000 'A' ordinary shares of £1 each	2,000,000	2,000,000
Allotted, called up and fully paid 1,029,182 'A' ordinary shares of £1 each	1,029,182	1,029,182

13 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2005	468	13,382,480
Loss for the year	-	(1,319,853)
Dividends paid	-	(350,000)
Balance at 31 December 2005	468	11,712,627
Other reserves Capital redemption reserve Balance at 1 January 2005 & at 31 December 2005	468	

14 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
(Loss)/Profit for the financial year	(1,319,853)	6,478,395
Dividends	(350,000)	(3,500,000)
Net (depletion in)/addition to shareholders' funds	(1,669,853)	2,978,395
Opening shareholders' funds	14,412,130	11,433,735
Closing shareholders' funds	12,742,277	14,412,130

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

15 Transactions with directors

The following directors had loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum in year
	2005	2004	
	£	£	£
C E Moore	1,967,898	-	6,770,143

Interest of £191,690 (2004:£137,756) was charged in the year. Interest unpaid included in debtors was £498,069 (2004 - £306,379).

C E Moore purchased two properties from the company at a valuation of £450,000.

16 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

17 Control

C E Moore has control over the company by having a 100% interest in the 'A' ordinary issued share capital of the company.

ASSOCIATED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

18 Related party transactions

During the year the company received £Nil (2004:£2,083) from Torex plc for management services. C E Moore was a director of Torex plc

The company made charitable donations of £Nil (2004:£105,838) to a registered charity of which C E Moore and S J Moore are trustees and directors.

Debtors and (creditors) include the following amounts due (to)/from subsidiary, associates and related undertakings:

	2005 £	2004 £
Lytham Enterprises Unlimited	-	(100)
Flow System Technologies Limited	1,267,384	-
AT Air Limited (net amount)	(10,935,124)	(8,797,279)

C E Moore is a shareholder of Flow Systems Technologies Limited and was a director until 29 July 2005.

Lytham Enterprises Unlimited is an undertaking under the control of C E Moore.

Amounts written off inter-company balances with subsidiary undertakings.	226,030	176,069
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The company charged the following amounts to its subsidiary, associate and related undertakings for management services and interest:

Rent

Anker Systems Limited	10,153	-
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Management services

Square Green Limited	-	10,000
Ascribe plc	17,500	-
Torex plc	-	2,083
XN Checkout plc	19,260	-
CEM Services Limited	-	2,083

Interest

Oxford International Publishers Limited	-	24,306
Gooddies Limited	4,500	8,400