

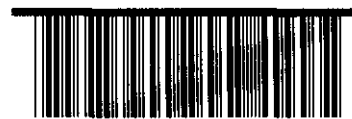
ASSOCIATED TECHNOLOGIES LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2003

COMPANY NUMBER: 2815753



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ASSOCIATED TECHNOLOGIES LIMITED

COMPANY INFORMATION

**Directors** C E Moore  
S J Moore (Appointed 1 October 2003)

**Secretary** C E Moore

**Registered Office** South Court  
Hardwick Business Centre  
Noral Way  
Banbury  
Oxfordshire OX16 1AF

**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

ASSOCIATED TECHNOLOGIES LIMITED

1.

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts for the year ended 31 December 2003.

RESULTS AND DIVIDENDS

The loss for the financial year amounted to £1,592,917. The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

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

FUTURE DEVELOPMENTS

The directors of the company will continue to look for business and trading opportunities.

DONATIONS

During the year the company made charitable contributions totalling £119,072.

DIRECTORS

The directors of the company during the year and their interests in the shares of the company either directly or indirectly were :

<u>Name</u>	<u>Class of Shares</u>	<u>Beginning of Year</u> <u>or date of</u> <u>appointment</u>	<u>End of Year</u>
C E Moore	'A'	1,029,613	1,029,613
S J Moore (appointed 1 October 2003)	-	-	-

POTENTIAL IMPACT OF THE EURO

The directors do not believe that the introduction of the Euro will have a significant impact on the company. Costs likely to be incurred in dealing with the introduction of the Euro are not considered to be substantial.

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.

Approved by the board and signed on its behalf.

X  
C E Moore  
Secretary

22 October 2004

DIRECTORS' RESPONSIBILITIES

2.

FOR THE FINANCIAL STATEMENTS

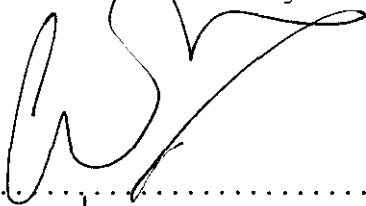
ASSOCIATED TECHNOLOGIES LIMITED

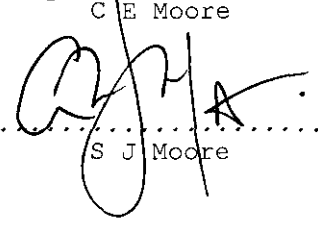
DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss of the company for that year. 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 to 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.

  
.....  
C E Moore

  
.....  
S J Moore

Directors

22 October 2004

ASSOCIATED TECHNOLOGIES LIMITED

We have audited the financial statements of Associated Technologies Limited for the year ended 31 December 2003 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the directors' remuneration and transactions with the company 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 United Kingdom 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 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.

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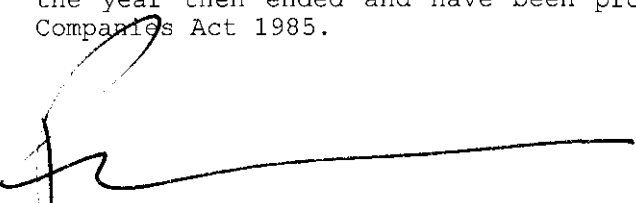
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
ASSOCIATED TECHNOLOGIES LIMITED

3a.

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OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its loss 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

26 October 2004

PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31 DECEMBER 2003

	<u>Notes</u>	<u>2002</u>
TURNOVER	132,571	101,509
Cost of Sales	57,210	73,892
	-----	-----
GROSS PROFIT	75,361	27,617
Administrative Expenses	1,010,391	778,010
	-----	-----
	(935,030)	(750,393)
Other Operating Income	(86,733)	522,949
	-----	-----
	(1,021,763)	(227,444)
Amounts due from group undertakings written off	14 1,043,461	3,565,209
	-----	-----
Operating Loss	5 (2,065,224)	(3,792,653)
Profit on Disposal of Fixed Assets	163,880	11,268,719
	-----	-----
	(1,901,344)	7,476,066
Income from Investments	177,592	196,349
	-----	-----
	(1,723,752)	7,672,415
Interest Receivable and Similar Income	367,555	469,079
	-----	-----
	(1,356,197)	8,141,494
Interest Payable and Similar Charges	7 236,720	349,596
	-----	-----
<u>(Loss) Profit on ordinary activities before taxation</u>	(1,592,917)	7,791,898
Tax on Profit on ordinary activities	8 -	18,011
	-----	-----
<u>(Loss) Profit for the financial year</u>	3 £(1,592,917)	£7,773,887
	=====	=====

Continuing Operations

All of the company's activities in the above two financial years derived from continuing operations.

Total Recognised Gains and Losses

The company has no recognised gains or losses other than the (loss) profit for the above two financial years.

The notes on pages 7 to 16 form part of these Accounts.

BALANCE SHEET AT 31 DECEMBER 2003

<u>FIXED ASSETS</u>	<u>Notes</u>		<u>2002</u>
Tangible Assets	9	3,404,357	3,669,436
Investments	10	5,442,084	5,468,156
		-----	-----
		8,846,441	9,137,592
<u>CURRENT ASSETS</u>			
Stocks		52,836	61,052
Debtors	11	8,288,869	8,119,371
Cash at bank and in hand		-	1,148
		-----	-----
		8,341,705	8,181,571
<u>CREDITORS</u>			
Amounts falling due within one year	12	5,753,979	4,292,079
		-----	-----
Net Current Assets		2,587,726	3,889,492
		-----	-----
<u>NET ASSETS</u>		<u>£11,434,167</u>	<u>£13,027,084</u>
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	2	1,029,614	1,029,614
Capital Redemption Reserve		36	36
Profit and Loss Account	3	10,404,517	11,997,434
Total Shareholder's Funds (including non-equity interest)	4	£11,434,167	£13,027,084
		=====	=====

The notes on pages 7 to 16 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 22 October 2004 and signed on its behalf.

Y .....  
C E Moore  
Y .....  
S J Moore

Directors

22 October 2004



CASH FLOW STATEMENT FOR THE  
YEAR ENDED 31 DECEMBER 2003

	<u>Notes</u>		<u>2002</u>
Reconciliation of Operating Loss to Net cash Outflow from Operating Activities	15	(1,138,530)	(2,703,665)
Returns on investments and servicing of finance			
Interest Received	367,555	469,079	
Interest Paid	(236,720)	(349,596)	
Dividend Received	177,592	196,349	
	-----	-----	
		308,427	315,832
		-----	-----
Net Cash (Outflow) for returns on investment and servicing of finance		(830,103)	(2,387,833)
Capital Expenditure and Financial Investment			
Purchase of Fixed Assets	(431,173)	(481,867)	
Purchase of Investments	-	(1,311,349)	
Sale of Fixed Assets	604,619	427,481	
Sale of Investments	-	13,163,799	
Director's Loan Account - Drawings	(619,548)	(2,994,791)	
	-----	-----	
		(446,102)	8,803,273
(Decrease) Increase in		-----	-----
Cash	16 & 17	£(1,276,205)	£6,415,440
		=====	=====

NOTES FORMING PART OF THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention.

The company and its subsidiary undertakings, form a small 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>
Improvements to Buildings	10%
Plant, Fixtures and Fittings	5%/20%
Vehicles	33%

Depreciation is only charged on improvements to buildings. No depreciation is charged on the original cost of the freehold buildings as it is considered that the residual value of the properties would cover this.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred Taxation

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. The company has not adopted a policy of discounting deferred tax assets and liabilities.

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.

Turnover

The turnover is the amount derived from trading activities after trade discounts, other sales taxes and net of VAT.

## NOTES CONTINUED

2.	<u>SHARE CAPITAL</u>	<u>2003</u>	<u>2002</u>
	Authorised: 2,000,000 'A' Ordinary Shares of £1 each	£2,000,000 =====	£2,000,000 =====
	Allotted, called up and fully paid:		
	1,029,613 (2002 : 1,029,613) 'A' Ordinary Shares of £1 each	1,029,613	1,029,613
	1 (2002 : £1) 'D' Ordinary Share of £1 each	1 -----	1 -----
		£1,029,614 =====	£1,029,614 =====

The rights and restrictions of the 'D' Ordinary Share are that (1) the 'D' shareholder is entitled to all dividends and any other value arising from the company's holding of 'P' shares in Heskgold Limited and can serve notice on the company requiring Heskgold Limited to distribute its profits; (2) on a return of capital on liquidation the assets held by Heskgold Limited shall be distributed to the 'D' shareholder; (3) the 'D' shareholder has no right of participation in the profits or assets of the company.

3.	<u>PROFIT AND LOSS ACCOUNT</u>	<u>2003</u>	<u>2002</u>
	(Loss) Profit for the financial year	(1,592,917)	7,773,887
	Profit brought forward	11,997,434	4,223,547
		-----	-----
	Profit carried forward	£10,404,517 =====	£11,997,434 =====

4.	<u>SHAREHOLDERS' FUNDS</u>		
(a)	Analysis of Shareholders' Fund		
	Equity	1,029,613	1,029,613
	Non-equity ('D' Ordinary Share)	1	1
		-----	-----
		£1,029,614 =====	£1,029,614 =====
(b)	Reconciliation of movements on Shareholders' funds		
	(Loss) Profit for the financial year	(1,592,917)	7,773,887
	Opening Shareholders' Funds	13,027,084	5,253,197
		-----	-----
	Closing Shareholders' Funds	£11,434,167 =====	£13,027,084 =====

## NOTES CONTINUED

5.	<u>OPERATING LOSS</u>	<u>2003</u>	<u>2002</u>
	Operating Loss has been arrived at after accounting for:		
	Auditors' Remuneration	£ 10,500	£ 10,000
	Depreciation	255,513	228,739
	Payment of personal guarantee relating to Oldham Athletic Association Football Club Limited	254,119	-
	Pension Costs	-	2,500
		=====	=====
6.	<u>DIRECTORS' AND STAFF COSTS</u>		
	<u>Directors' Emoluments</u>		
	Remuneration	£10,000	£10,000
		=====	=====
	<u>Staff Costs</u>		
	Wages and Salaries	113,215	146,540
	Social Security Costs	12,726	14,991
	Other Pension Costs	-	2,500
		-----	-----
		£125,941	£164,031
		=====	=====
	<u>Average number of employees</u>	<u>Number</u>	<u>Number</u>
	Office and Administration	7	7
	Farm	3	3
		--	--
		10	10
		==	==

The company operates a defined contribution pension scheme for one of its employees. The assets of the scheme are held separately from those of the company in an independently managed fund. No pension contributions were payable at 31 December 2003.

7.	<u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	<u>2003</u>	<u>2002</u>
	Hire Purchase	-	1,430
	Bank Loan and Overdraft	224,870	348,166
	Other Interest	11,850	-
		-----	-----
		£236,720	£349,596
		=====	=====

NOTES CONTINUED

8. <u>TAXATION</u>	<u>2003</u>	<u>2002</u>
<u>Current Tax</u>		
UK Corporation Tax on Profit for the year	-	-
Adjustments in respect of prior periods	-	18,011
	-----	-----
£	-	£18,011
	=====	=====
The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom. The differences are explained below:		
(Loss) Profit on ordinary activities before Taxation	£(1,592,917)	£7,791,898
	=====	=====
(Loss) Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30%	(477,875)	2,337,569
Expenses not deductible for tax purposes	341,920	1,097,762
Dividend income not chargeable to tax	(53,278)	(58,905)
Depreciation in excess of capital allowances	51,821	37,909
Gains assessable to tax less than profits recorded in the accounts	(10,489)	(3,380,615)
Group loss relief	-	(33,720)
Unrelieved Losses carried forward	147,901	-
	-----	-----
£	-	£
	=====	=====

The accounts include no provision for deferred taxation as it is immaterial. Should a provision for deferred tax be included then the balance at the year end would be £30,071 (2002 : £19,349).

NOTES CONTINUED9. TANGIBLE ASSETS

<u>Cost</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	2,551,102	1,210,206	615,247	114,812	4,491,367
Additions	-	290,888	74,404	65,881	431,173
Disposals	(440,739)	-	-	(12,462)	(453,201)
At end of year	£2,110,363	1,501,094	689,651	168,231	4,469,339
<u>Depreciation</u>					
At beginning of year	-	443,917	279,074	98,940	821,931
Charge for the year	-	150,106	68,836	36,571	255,513
Disposals	-	-	-	(12,462)	(12,462)
At end of year	£	594,023	347,910	123,049	1,064,982
<u>Net Book Value</u>					
At 31 December 2003	£2,110,363	907,071	341,741	45,182	3,404,357
At 31 December 2002	£2,551,102	766,289	336,173	15,872	3,669,436

NOTES CONTINUED10. INVESTMENTS

	<u>Listed UK Investments</u>	<u>Associates</u>	<u>Subsidiaries</u>	<u>Total</u>
At beginning of year	5,398,123	70,026	7	5,468,156
Disposals	(26,072)	-	-	(26,072)
At end of year	<u>£5,372,051</u>	<u>70,026</u>	<u>7</u>	<u>5,442,084</u>

Listed UK Investments is a 3.23% holding in the issued share capital of iSoft Group Plc. The market value of this investment at the year end was £27.0m (2002 : £13.3m) and had they been sold at their market value as at that date corporation tax of £6.3m (2002 : £2.3m) would have been payable. Formerly the listed UK Investment was in Torex Plc and this company was acquired by iSoft Group Plc on 23 December 2003.

Investments in associates and subsidiaries were:

<u>Undertaking</u>	<u>% of Issued Share Capital and Voting Rights</u>	<u>Capital and Reserves</u>	<u>Financial Result for Year</u>	<u>Activity</u>
AT Air Limited	100%	£(488,531)	£(176,885)	Helicopter Hire
Heskgold Limited	100%	£158,270	£54,131	Investment Holding Company
Gooddies Limited	26%	£170,202	£112,286	School Wear Provider

NOTES CONTINUED

In addition to the above undertakings the company had control of The Oldham Athletic Association Football Club Limited by virtue of an 83% holding in its issued share capital.

The company also had a 100% interest in the issued share capital of Speed 8765 Limited which was the holding company for the 83% equity investment in The Oldham Athletic Association Football Club Limited.

As a result of mounting losses and the need for continued financial support, the equity holding in The Oldham Athletic Association Football Club Limited was sold for £1 on 24 July 2003.

The last accounts for Speed 8765 Limited were prepared to 31 May 2003 and they showed:

<u>Capital and Reserves</u>	<u>Financial Result</u>
£(213,955)	£(212,488)
=====	=====

Speed 8765 Limited has received no income since 31 May 2003 or incurred any expenditure. All liabilities have been settled by Associated Technologies Limited.



NOTES CONTINUED

11. <u>DEBTORS</u>	<u>2003</u>	<u>2002</u>
Due within one year		
Trade Debtors	22,788	129,620
Prepayments	9,171	-
Other Debtors	1,565,299	1,904,659
Amounts owed by group undertakings	2,916,512	2,926,541
Amounts owed by related undertakings	162,478	165,478
Director's Current account	3,612,621	2,993,073
	-----	-----
	£8,288,869	£8,119,371
	=====	=====

The above director's current account relates to C E Moore and indebtedness on the account was as follows:

<u>Liability at</u> <u>1 January</u> <u>2003</u>	<u>Maximum</u> <u>Liability</u> <u>during the</u> <u>year</u>	<u>Liability at</u> <u>31 December</u> <u>2003</u>
£2,993,073	£3,823,446	£3,612,621
=====	=====	=====

Interest is payable at 5% on the overdrawn balance and interest receivable of £168,622 (2002 : £137,756) has been included in the accounts.

12. <u>CREDITORS - Amounts falling</u> <u>due within one year</u>	<u>2003</u>	<u>2002</u>
Bank Loan and Overdraft	5,308,542	4,033,485
Taxation and Social Security	-	17,425
Amounts due to group undertakings	7,140	-
Amounts due to related undertakings	9,000	-
Other Creditors	308,626	124,148
Accruals	120,671	117,021
	-----	-----
	£5,753,979	£4,292,079
	=====	=====

The bank overdraft is secured over the freehold properties and other assets of the company.

13. CONTROL

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

## NOTES CONTINUED

14. RELATED PARTY TRANSACTIONS

C E Moore is the director and controlling shareholder of the company.

During the year the company received £Nil (2003 : £425,000) from Torex Plc for management services. C E Moore was a director of Torex Plc. As at 31 December 2002 the company had an interest of 8.71% in the issued share capital of Torex Plc. Torex Plc was acquired by the iSoft Group Plc on 23 December 2003. The Profit and Loss Account for the year was debited with £95,833 to adjust the previous year's income.

During the year the company received rental income of £Nil (2002 : £30,000) from Torex Plc.

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

	<u>2003</u>	<u>2002</u>
Heskgold Limited	£ (7,140)	£185,465
Gooddies Limited	(9,000)	3,000
Lytham Enterprises Unlimited	162,478	162,478
AT Air Limited	2,916,512	2,741,077
	=====	=====

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

The following amounts due from subsidiary undertakings have been written off against profits:

	<u>2003</u>	<u>2002</u>
Speed 8765 Limited	1,250	211,902
The Oldham Athletic Association		
Football Club Limited	1,042,211	3,379,885
	-----	-----
	£1,043,461	£3,591,787
	=====	=====

The company charged the following amounts to its subsidiary and associate undertakings for management services and interest:

Management Services

The Oldham Athletic Association		
Football Club Limited	6,000	12,000
	=====	=====

Interest

Oxford International Publishers Limited	22,618	14,119
Gooddies Limited	5,400	5,400
The Oldham Athletic Association		
Football Club Limited	124,442	137,423
	=====	=====

NOTES CONTINUED

C E Moore is a director of Chavignol Limited and has a 60% interest in the issued share capital of that company. Included in creditors is £26,978 (2002 debtors : £644,338) due to/from Chavignol Limited and in the year the company charged Chavignol Limited for the following:

Management Services	1,000	12,000
Interest	14,463	44,179
Work done and Goods supplied	-	6,385
	=====	=====

Creditors includes a loan of £158,000 from J P Moore, the son of C E Moore. Interest is charged at 7½% on this loan and £11,850 has been included in the Profit and Loss Account for the year.

The company made charitable donations of £106,072 (2002 : £7,150) to a registered charity of which C E Moore is a trustee.

15.	<u>RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES</u>	<u>2003</u>	<u>2002</u>
	Operating Loss	(2,065,224)	(3,792,653)
	Depreciation	255,513	228,739
	Decrease (Increase) in Stocks	8,216	(1,740)
	Decrease in Debtors	450,050	783,617
	Increase (Decrease) in Creditors	186,843	78,372
	Disposal of shares not involving the movement of cash	26,072	-
	Net cash outflow from operating Activities	----- £(1,138,530) =====	----- £(2,703,665) =====
16.	<u>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH</u>		
	Net (Decrease) Increase in Cash	£(1,276,205) =====	£6,415,440 =====
17.	<u>RECONCILIATION OF MOVEMENT IN CASH</u>	<u>At start of year</u>	<u>Cash Flows</u> <u>At end of year</u>
	Cash in hand and at bank	1,148	(1,148)
	Loans and Overdrafts	(4,033,485)	(1,275,057)
		-----	-----
		£(4,032,337) =====	£(5,308,542) =====