

2815753

BRISTOL STAMP OFFICE  
DX 7899

DATED

3rd April

1995

**PASSED FOR FILING**

B E T W E E N

ASSOCIATED TECHNOLOGIES LIMITED (1)

AND

M.A. CARROTTE & C.H. HEGGADON (2)

-----  
A G R E E M E N T     F O R     M E R G E R  
                             O F  
           A S S O C I A T E D   T E C H N O L O G I E S   L I M I T E D  
                             A N D  
           A M B R I D G E   B U S I N E S S   S Y S T E M S   L I M I T E D  
-----

Messrs. Thomas Mallam & Reeves  
126 High Street  
Oxford  
OX1 4DG



THIS AGREEMENT is made the

*Thirtieth*

day

of

*April*

1995 BETWEEN

(1) ASSOCIATED TECHNOLOGIES LIMITED whose registered office is Churchfields Stonesfield Witney Oxfordshire OX8 8PQ (hereinafter referred to as ATL)

(2) MICHAEL ANTHONY CARROTTE of Lawnbrook, New Road, Teignmouth, Devon (hereinafter referred to as MC) and CHRISTOPHER HOWARD HEGGADON of Hollywater, North Creedy, Sandford, Crediton, Devon hereinafter referred to as CH)

IT IS AGREED as follows :-

(1) INTERPRETATION

1.1 In this Agreement, including its Schedules, unless the context otherwise requires :-

"ABS" means the company presently registered with the name of Ambridge Business Systems Limited under registered number 1796565 and whose present Registered Office is 4 Market Street, Crediton, Devon and shall include the said company registered under any other name.

"Agreed Form" means in relation to any document such document in the terms agreed between the parties and for the purposes of identification signed by the Solicitors acting for each party.

"Bookdebts" means the trade debts owed to ABS on Completion.

"Clearances" mean clearances from the Inland Revenue under Section 707 of the Income and Corporation Taxes Act 1988 and Section 138 of the Taxation of Capital Gains Act 1992.

"Completion" shall mean the 31st day of March 1995.

"Confidential Information" means all information not at present in the public domain used in or otherwise relating to the business or customers or financial or other affairs of ATL and ABS.

"Contracts" means the current contracts and engagements of ABS in relation to its business but excluding contracts with Employees.

"Creditors" means the aggregate amount owed by ABS in connection with its business to or in respect of trade creditors and accrued charges as at Completion.

"Employees" means the persons listed in Schedule 3 hereto and any others employed after the date hereof but with the prior written consent of ATL who on Completion were employed by ABS for the purposes of its business.

"Excluded Assets" shall mean all assets of ABS including Fixed Assets and Stock save for Goodwill Intellectual Property Rights and the Properties

"Final Accounts" means audited accounts and a balance sheet in respect of ABS as at the 31st March 1995.

"Fixed Assets" means all plant machinery tools equipment vehicles and other chattels (save for Landlords fixtures) owned by ABS at the completion date for the purpose of its business.

"Goodwill" means the goodwill of ABS in relation to its business of providers of computer services and shall include the right for the holder of the goodwill to represent itself

as carrying on the said business.

"Intellectual Property Rights" means all industrial and intellectual property rights of ABS including without limitation the patents trademarks registered designs copyrights and design rights in any part of the World as listed in the First Schedule hereto and the copyright and design rights of all drawings plans specifications designs and computer software owned by ABS and used in or for the purposes of its business and all know-how and confidential information so owned and used.

"The Properties" shall mean the properties described in the Second Schedule hereto.

"Stock" means the stock work in progress and finished goods owned by ABS at the completion date for the purpose of or in connection with its business including items which, although subject to reservation of title by the sellers, are under the control of ABS.

1.2 All references to a statutory provision shall be construed as including references to :-

- (a) Any statutory modification consolidation or re-enactment (whether before or after the date hereof) for the time being in force;
- (b) All statutory instruments or orders made pursuant to it;
- (c) Any statutory provisions of which it is a consolidation re-enactment or modification.

1.3 Except where the context otherwise requires words denoting the singular include the plural and vice versa;

words denoting any gender include all gender; words denoting persons include firms and corporations and vice versa.

1.4 Unless otherwise stated, reference to a clause, sub-clause or schedule is a reference to a clause or a sub-clause of, or a schedule to, this Agreement.

1.5 Clause headings are for ease of reference only and do not affect the construction of this agreement.

(2) VOLUNTARY LIQUIDATION OF ABS

2.1 MC and CH will on the date hereof procure that :-

2.1.1. ABS shall change its name to a name having no similarity or connection with the name of Ambridge Business Systems Limited and to be approcured by ATL.

2.1.2. Immediately after the said change of name ABS shall for reorganization purposes be placed into voluntary liquidation.

2.1.3. The liquidator of ABS shall acquire two recently incorporated ready made companies which shall not have traded and which for the purposes of this Agreement shall be referred to as "Newco 1" and "Newco 2" and that the Memorandum and Articles of Association of Newco 1 shall be approcured by the Solicitors acting for ATL.

2.1.4. The name of Newco 1 will be changed to Ambridge Business Systems Limited.

(3) TRANSFER OF ASSETS

3.1 MC and CH shall procure that the liquidator of ABS shall as

soon as practicable :-

3.1.1 Transfer to Newco 1 the Goodwill and Intellectual Property Rights for the consideration referred to in clause 3.1.2.

3.1.2 Issue to the ABS shareholders shares in Newco 1 in the proportions which such shareholders hold shares in ABS with the intent that all issued shares in Newco 1 shall be held by the shareholders at that time of ABS.

3.1.3 Transfer to Newco 2 the Excluded Assets and all liabilities of ABS for the consideration referred to in clause 3.1.4.

3.1.4 Issue to the ABS shareholders shares in Newco 2 in the proportions which such shareholders hold shares in ABS with the intent that all issued shares in Newco 2 shall be held by the shareholders at that time of ABS.

#### **(4) EXCHANGE OF SHARES**

On Completion MC and CH shall procure that all issued shares in Newco 1 shall be transferred to ATL in exchange for the issue by ATL to the transferors of such Newco 1 shares of 36 ordinary £1 shares (which after such issue shall constitute 4% of the then issued shares in ATL) in the proportions which such transferring shareholders shall have held shares in Newco 1.

#### **(5) ACQUISITION OF ASSETS OF NEWCO 2**

5.1 ATL shall procure that within 30 days of Completion Newco

1 shall acquire from Newco 2 all assets then owned by Newco 2 save for Bookdebts all other debts and cash at bank and in hand and shall take over liabilities in respect of advance billings deposits and the bank loan for a car then held by Newco 2 at the book value of such assets and liabilities as shown in the Final Accounts (as adjusted by the accountants preparing the Final Accounts in the event that Completion shall be delayed beyond the 31st March 1995.)

5.2. MC and CH shall procure that the monies realised by the collecting in by Newco 2 of the said Bookdebts other debts and cash shall be used by Newco 2 for the settlement of Creditors of ABS (save for advance billings deposits and loan for car referred to in clause 5.1).

(6) PROPERTIES

6.1 MC and CH shall on Completion procure that:

6.1.1 The leases relating to the properties firstly and secondly described in Schedule Two shall be properly varied by Deeds of Variation to provide for:

6.1.1.1 the tenant to have the right to terminate the said leases by three months prior written notice expiring at the end of a period of 5 years from Completion

6.1.1.2 rent reviews to be five yearly from Completion

6.1.1.3 in respect of the secondly described lease only for its term to be extended until the 11th June 2008;

6.1.2. There be assigned to Newco 1 the existing Leases in respect of the Properties

6.2 MC and CH shall use their best endeavours to procure that on or as soon as possible after completion The Landlords and if appropriate Head Landlords and Mortgagees of such properties shall provide any required written consents for such variations and assignments (if necessarily retrospectively).

**(7) MANAGEMENT AGREEMENT**

ATL shall on Completion grant to Newco 2 a management agreement in agreed form for services to be provided by MC and CH.

**(8) CONDITION**

8.1 It is hereby agreed that completion of this Agreement shall take place irrespective of the fact that Clearances have not been issued by the Inland Revenue but the parties will use all reasonable endeavours in an effort to obtain Clearances as soon as possible

**(9) COMPLETION**

9.1 Completion shall take place at the offices of ATL's Solicitors at which time :-

9.1.1 MC and CH shall procure that there be handed over to ATL the following :-

Directors Resolution appointing such Directors as ATL may require as Directors of Newco 1;

Written Resignations in agreed form of any Directors in Newco 1 save for MC and CH and Mr.M. Searle;

Signed Stock Transfer forms in respect of the whole of



the issued share capital of Newco 1;  
All Share Certificates in respect of all shares issued in Newco 1;  
The Statutory Books, the Company Seal and copies of any documents filed at Companies Registry in respect of Newco 1 together with copies of all shareholders and Directors minutes;  
Memorandum and Articles of Association of Newco 1 and the original Certificate of Incorporation;  
Any cheque books or other documentation or correspondence relating to all bank accounts held by Newco 1 together with if necessary a signed bank mandate in a form required by ATL;  
If required the written resignation of Newco 1's auditors;  
The Leases in respect of the Properties together with assignments and all requisite Licences and Consents;  
All details of Contracts;  
All documentation in written or machine readable form relating to the Intellectual Property Rights;  
All documentation whether belonging to Newco 1 or ABS relating to the contracts of employment of Employees.

9.1.2 ATL shall on Completion issue to MC and CH and such other parties who may be shareholders in Newco 1 at Completion Share Certificates in respect of the 36 shares in ATL referred to in clause 4 in the proportions which such shareholders held shares in Newco 1.

**(10) CONFIDENTIALITY AND ANNOUNCEMENTS**

The parties hereby undertake to keep confidential to themselves and their professional advisors the Confidential Information and no announcement of any kind shall be made in respect of the subject matter of this Agreement except as specifically agreed between the parties. Any announcement by the parties shall in any event be issued only after prior consultation with the other.

**(11) COSTS**

All expenses incurred by or on behalf of the parties including all fees of Solicitors and Accountants employed by either of the parties in connection with the negotiation preparation and execution of this Agreement shall be borne solely by the party which incurred them save that the costs of the Liquidator referred to herein and all disbursements incurred by him shall be paid as to one half by each of the parties hereto.

**(12) COMMUNICATIONS**

12.1 All communications between the parties with respect to this agreement shall be delivered by hand or sent by first class post to the address of the addressee as set out in this Agreement or to such other address being in Great Britain as the addressee may from time to time have notified for the purposes of this clause.

12.2 Communications shall be deemed to have been received :-

12.2.1 If sent by first class post 3 business days after posting exclusive of the day of posting

12.2.2 If delivered by hand on the day of delivery

12.2.3 If sent by fax at the time of transmission.

(13) ENTIRE AGREEMENT

13.1 This Agreement and the Schedules shall constitute the entire agreement and understanding between the parties with respect to all matters which are referred to.

13.2 This agreement shall be binding upon each party successors and assigns.

(14) GOVERNING LAW

This Agreement and the documents to be entered into pursuant to it shall be governed by and construed in accordance with English Law.

SCHEDULE ONE

(Intellectual Property Rights)

See annexed list and signed by or on behalf of all parties

SCHEDULE TWO

(Properties)

1. Number 4 The Space Place, Alphinbrook Road, Exeter as at the date hereof held by ABS under a lease dated 12th June 1993 made between CH and MC and Union Pension Trustees Limited (1) and ABS (2).

2. Unit 5 The Space Place, Alphinbrook Road, Exeter as at the date hereof held by ABS under an underlease dated 8th July 1988 made between MC, CH and B.C. Henderson (1) and ABS (2).


3. Number 7 The Space Place, Alphinbrook Road, Exeter as at the date hereof held by ABS under a lease dated 13th December 1994 made between David Frank Lamacraft (1) and ABS (2).

SCHEDULE THREE

(Employees)


See annexed list signed by or on behalf of the parties

SIGNED BY Christopher Edward Moore )  
and Michael Stephen Duhan on behalf )  
of ATL )

M.S. Duhan  


SIGNED BY Michael Anthony Carrotte )  
in the presence of:

m. + C. H.

  
Dix's Field  
Exeter Solicitor

SIGNED BY Christopher Howard Heggadon )  
in the presence of:





# AMBRIDGE

## BUSINESS SYSTEMS LTD.

5 The Space Place, Alphinbrook Road, Exeter EX2 8RG. Tel: (01392) 410027. Fax: 410153

### Intellectual Products

#### 1. Package Software

Name	Application	Language
GP Manager	Clinical Software for GPs	RM Cobol
GP Fundholding	Financial Software for Fundholding GPs	RM Cobol
GP Payroll	Payroll	RM Cobol
GP Ledger	Accounts system	RM Cobol
Community Manager	Clinical and financial software for community care units	RM Cobol
HMP	Budget Monitoring, Forecasting and personnel system for prisons	Foxprow

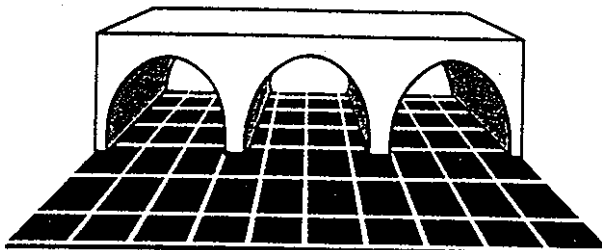
#### 2. Bespoke Software

All of the following bespoke systems have been written in RM Cobol.

#### Customer Name

Numatic International Limited  
Watson Petroleum  
Gas Link Limited  
Watson Driers Limited  
Timbmet Limited  
Timbmet Northern Limited  
Winchester Bulb Growers Limited  
Dartington Property Limited  
Maunder's Limited  
Tulsa Holdings Limited  
Avana Bakeries Limited  
TGWU

Plus sundry bespoke work for other companies



THE RIGHT SYSTEM AT THE RIGHT PRICE

*MSD*  
*W. S. D.*  
*W. S. D.*  
*W. S. D.*

Mike Carrotte  
Lawnbrook  
New Road  
Teignmouth

Director

Chris Heggadon  
Hollywater  
North Creedy  
Sandford  
Crediton  
EX17 4BS

Director

Mike Searle  
20 Knightly Road  
St Leonards  
Exeter  
Devon

Director  
Joined 19/06/89  
DOB 16/04/58

Jeff Pepper  
33 Buckeridge Road  
Teignmouth  
TQ14 8HD

Sub-contract developer  
DOB 26/10/40

SELF  
EMPLOYED !

Jill Sparks  
Tors Park  
Belstone  
Okehampton  
EX20 1QY

Programmer  
Joined 28/04/93  
DOB 17/12/48

Jonathan Jones  
Amusement Depot  
Station Road  
Cullompton  
EX15 1BQ

Foxpro Programmer  
Joined 16/01/94  
DOB

Sarah Spedding  
15 Avondale Road  
Heavitree  
Exeter  
EX2 5HE

Customer Services Manager  
Joined 25/06/90  
DOB 05/10/49

*[Handwritten signatures and initials]*  
M.S. D...  
Chris

Stuart McMin  
8 Chelsea Place  
Teignmouth  
TQ14 8DB

Customer Services  
Joined 19/04/93  
DOB 30/12/66

Robert Aware  
25A Clifton Road  
Newtown  
Exeter  
EX1 2BW

Customer Services  
Joined 01/02/93  
DOB 08/05/66

James Alexander Garrity  
1 Chestnut Crescent  
Stoke Canon  
Exeter  
EX5 4AA

Trainer  
Joined 06/04/92  
DOB 09/03/62

Melanie Beckett  
9 Porlock Way  
Churston Heights  
Paignton  
TQ4 7RH

Trainer  
Joined 27/02/95  
DOB 04/06/70

Mark Leech  
22 Limehayes Road  
Okehampton  
EX20 1NX

Commercial Sales/support  
Joined 02/11/92  
DOB 26/07/71

Gwen Wassall  
23 First Avenue  
Heavitree  
Exeter  
EX1 2PL

Book keeper  
Joined 02/05/89  
DOB 24/10/48

Stuart Williams  
22 Commins Road  
Exeter  
EX1 2PZ

Administration (on day release)  
Joined 13/12/93  
DOB 03/05/74

*M.S. Dule*  
*HR*  
*M. A. Smith*  
*E. Lee*

Debbie Rankin  
5 High Street  
Topsham  
Exeter  
EX3 0DZ

Administration  
Joined 17/10/94  
DOB 17/09/69

Michaela Arthurs  
Cadgwith House  
Rea Barn Road  
Brixham  
EX2 8RG

Healthcare Sales Manager  
Joined 04/01/89  
DOB 01/05/65

Matthew Hopkins  
Moorside  
Branscombe  
Seaton  
EX12 AX

Commercial Sales Manager  
Joined 09/09/94  
DOB 19/09/62

Ian White  
10 The Orchard  
Seaton  
Ex12 2RW

Commercial Sales  
Joined 19/07/93  
DOB 30/04/66

John May  
11 Woodthorne Avenue  
Shelton Lock  
Derby  
DE24 9FJ

Healthcare Sales  
Joined 18/01/94  
DOB 31/07/56

Emma Moore  
4 St Albans Close  
Redhills  
Exeter  
Ex4 2NE

Receptionist  
Joined 05/12/94  
DOB 22/02/75

M.S.D.L.  
u. + Q. + A.  
C. + A.  
J. + A.  
W.M.