

BABCOCK –MOXEY LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

Company number 84992



BABCOCK-MOXEY LIMITED

DIRECTORS AND ADVISORS

DIRECTORS

H M Mahy
N G Campbell
N R Young

SECRETARY

R S Martin

REGISTERED OFFICE

The Lodge
Badminton Court
Church Street
Amersham
Bucks HP7 ODD

AUDITORS

Arthur Andersen
20 Old Bailey
London EC4M 7AN

FINANCIAL STATEMENTS

The directors present their report and financial statements for the year ended 31 March 2000.

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 affairs of the company and the profit or loss 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;
- state whether applicable accounting standards 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.

The directors are responsible for maintaining 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.

PRINCIPAL ACTIVITY

During the year the company did not trade. It is not anticipated that this status will change in the future.

YEAR 2000

January 2000 and later Year 2000 – related dates passed with no disruption to Babcock-Moxey Limited's computer systems.

BABCOCK-MOXEY LIMITED**DIRECTORS' REPORT (continued)
for the year ended 31 March 2000**

DIRECTORS

The directors of the company during the year and since the year end were:-

H M Mahy
N G Campbell
N R Young

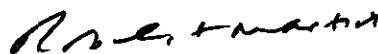
None of the directors has any beneficial interest in the shares of the company. Mr Young is also a Director of the ultimate parent company and his interest in the shares and share options of that company is disclosed in that company's accounts.

The interests of the other director's in the shares of the company's ultimate parent company were as follows:

	Ordinary shares	Ordinary shares	Share options	Share options
	31 March 2000	31 March 1999	31 March 2000	31 March 1999
H M Mahy	4,289	4,289	168,350	117,738
N G Campbell	-	-	158,537	119,354

No director had any material interest during the year in any contract with the company or its subsidiaries requiring disclosure under Section 317 of the Companies Act 1985.

By order of the Board



R S Martin
Secretary

AUDITORS' REPORT
to the shareholders of Babcock-Moxey Limited

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

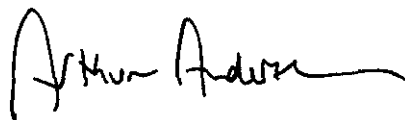
Basis of opinion

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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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 March 2000 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors
20 Old Bailey
London, EC4M 7AN

11/14/2000

BABCOCK-MOXEY LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2000**

	Notes	2000	1999
		£	£
Administration expenses		(20,477)	-
Loss on ordinary activities before taxation	2	(20,477)	-
Tax on loss on ordinary activities		-	-
Loss for the financial year		(20,477)	-

There were no recognised gains and losses other than the profit for the financial year.

The accompanying notes are an integral part of this profit and loss account.

BABCOCK-MOXEY LIMITED**BALANCE SHEET
as at 31 March 2000**

	Notes	2000	1999
		£	£
Current assets			
Debtors			
Amounts owed by group undertakings		-	20,477
Net assets		-	20,477
Capital and reserves			
Called up share capital	3	20,477	20,477
Profit and loss account	4	(20,477)	-
Equity shareholders' funds	5	-	20,477

The accompanying notes are an integral part of this balance sheet.

The financial statements on pages 4 to 7 were approved by the Board on 11 December 2000 and signed on its behalf by:



N G Campbell
Director

BABCOCK-MOXEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2 Loss on ordinary activities before taxation

In November 1995, the company was joined as a third party to legal proceedings commenced in 1992 between the Ports Corporation of Queensland and a supplier company. These legal proceedings were discontinued on 20 December 1999. The company contributed £20,477 to the costs of defending these proceedings. All other costs have been borne by a fellow subsidiary company.

3 Called-up share capital

	2000 £	1999 £
<i>Authorised</i>		
30,000 Ordinary shares of £1 each	30,000	30,000
<i>Allotted, called-up and fully paid</i>		
20,477 Ordinary shares of £1 each	20,477	20,477

4 Reserves

	Profit and loss account £
At 1 April 1999	-
Loss for the financial year	(20,477)
At 31 March 2000	(20,477)

5 Reconciliation of movement in equity shareholders' funds

	£
At 1 April 1999	20,477
Loss for the financial year	(20,477)
At 31 March 2000	-

6 Financial commitments

At 31 March 2000 the company had no commitments for capital expenditure (1999 – £nil).

7 Directors remuneration and employee costs

No director received any remuneration during the year in respect of services to the company. The company has no employees.

8 Ultimate parent company

The directors' regard Babcock International Group PLC, a company registered in England and Wales, as the company's ultimate parent undertaking.

Babcock International Group PLC is the parent undertaking of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of those group accounts are available from:

Company Secretary
Babcock International Group PLC
Badminton Court
Church Street
Amersham
Buckinghamshire
HP7 0DD