

Acetech Personnel Limited
(Registered Number 349147)

Directors' Report and Financial Statements

For The Year Ended 31 December 2000



Acetech Personnel Limited

Directors' Report For the Year Ended 31 December 2000

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

Principal Activity

The principal activity of the company during the year continued to be that of an employment agency.

Review of the Business and Future Developments

Acetech Personnel has continued its substantial re-alignment of the business and continues to build a platform on which to base its growth for the coming year. The two new regional offices opened in 1999 continue to contribute to the business.

Given the above, trading in 2000 was satisfactory.

In December 1999 the company was awarded a three year enabling agreement with a major supplier within the aviation sector and continues to be awarded with the preferred agency status.

Future growth is continually underpinned by a new enlarged personnel database and an interactive recruitment website that are receiving investment for development in the first half of 2001.

Results and Dividends

The loss after taxation for the year is £47,000 (1999: loss after taxation of £99,000) from which the directors propose a final dividend of £350,000 (1999: £ Nil). The resulting deficit of £396,000 (1999: £99,000) will be funded from reserves.

Subsequent Events

It was announced on 15 February 2001, that a conditional agreement was signed for the sale by Hunting PLC of Acetech Personnel Limited, to Babcock Rosyth Defence Limited a wholly owned subsidiary of Babcock International Group plc.

The sale is conditional upon the shareholders' approval of both Hunting PLC and Babcock International plc.

Directors and Their Interests

The directors who served during the year were:

D J Simons
J W J Jewell

None of the directors in office at 31 December 2000 held any interest in the shares of the Company.

Acetech Personnel Limited

Directors' Report For the Year Ended 31 December 2000 (Continued)

The following director holds options to subscribe for ordinary shares pursuant to the Hunting PLC executive share option scheme and the savings related share option scheme:

Executive Share Option Scheme

	Subscription at price p	Options exercisable between	Options at 31 December 2000	Options at 31 December 1999
J W J Jewell	205.00	1998 – 2005	20,000	20,000

Savings-Related Share Option Scheme

	Subscription at price p	Option period expires in	Options at 31 December 2000	Options at 31 December 1999
J W J Jewell	181.66*	-	-	1,932
	148.00	2002	3,310	3,310

* Lapsed on 24th February 2000

Directors And Their Interests

On 1 January 2000, 51,300 nil cost options had been granted to certain directors under Hunting PLC long term executive share incentive plan. During the year 10,800 options lapsed making a total of 40,500 options granted under the plan to directors. The right to exercise options will not vest unless certain performance conditions are satisfied.

There were no grants, lapses or exercises of options other than shown above.

The market price of the Ordinary shares at 31 December 2000 was 157.5p and the range during the year was 90.5p to 162p.

Between 31 December 2000 and the date of this report there were no changes in the interests of the directors in the shares of Hunting PLC.

Acetech Personnel Limited

Directors' Report For the Year Ended 31 December 2000 (Continued)

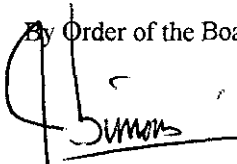
Statement of Directors' Responsibilities

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 of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable 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 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.

By Order of the Board

A handwritten signature in black ink, appearing to read 'D J Simons', is written over a horizontal line.

D J Simons
Director

2 March 2001

Auditors' Report To The Members Of Acetech Personnel Limited

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom's Companies Act. 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 directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

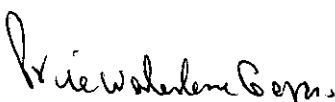
Basis of Audit Opinion

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 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 the company's affairs at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
West London

2 March 2001

Acetech Personnel Limited

Profit And Loss Account For The Year Ended 31 December 2000

	<i>Note</i>	2000 £'000	1999 £'000
Turnover			
Continuing operations		7,099	5,128
Discontinued operations		-	1,595
	2	7,099	6,723
Cost of sales	3	(6,147)	(6,191)
Gross profit		952	532
Distribution and marketing costs	4	-	(162)
Administrative expenses	4	(964)	(426)
Operating (loss)/profit			
Continuing operations		(12)	(73)
Discontinued operations	5,6	-	17
		(12)	(56)
Loss on termination of operations		-	(67)
(Loss)/Profit before interest and taxation			
Continuing operations		(12)	(208)
Discontinued operations		-	85
		(12)	(123)
Interest receivable and similar income		5	1
Interest payable and similar charges		(40)	(30)
Loss on ordinary activities before taxation		(47)	(152)
Tax on loss on ordinary activities	8	1	53
Loss on ordinary activities after taxation		(46)	(99)
Dividend payable		(350)	-
Retained loss for the financial year	12	(396)	(99)

The company has recognised no gains or losses other than those shown in the above profit and loss account.

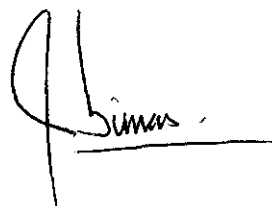
The notes on pages 7 to 12 form part of these financial statements.

Acetech Personnel Limited

Balance Sheet As At 31 December 2000

	<i>Note</i>	2000 £'000	1999 £'000
Fixed assets			
Tangible assets		-	-
Current assets			
Debtors	9	1,246	1,961
Cash at bank and in hand		5	325
		1,251	2,286
Creditors: amounts falling due within one year	10	(1,172)	(1,811)
Net current assets		79	475
Total assets less current liabilities		79	475
Capital and reserves			
Called up share capital	11	50	50
Profit and loss account	12	29	425
Shareholders' funds	12	79	475

Approved by the Board on 2 March 2001 and signed on its behalf by:



D J Simons
Director

The notes on pages 7 to 12 form part of these financial statements.

Acetech Personnel Limited

Notes To The Financial Statements For The Year Ended 31 December 2000

1 Accounting Policies

(a) Basis of Accounting

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

The company has not presented a statement of cash flows in accordance with Financial Reporting Standard 1 Revised as its ultimate parent undertaking has published a consolidated statement of cash flows which includes the cash flows of the company.

The company is exempt from preparing group accounts by virtue of Section 228 Companies Act 1985, as it is a wholly-owned subsidiary of Hunting Aviation Limited, a company incorporated in Great Britain. These accounts, therefore, present financial information about the company as an individual undertaking only and not about its group.

(b) Foreign Currencies

Transactions denominated in foreign currencies are translated at the exchange rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date.

Exchange differences are taken to the profit and loss account.

(c) Deferred Taxation

Provision for deferred taxation is made using the liability method on the excess of capital allowances over depreciation and other timing differences to the extent that, in the opinion of the directors, it is probable that the liability will crystallise in the foreseeable future.

(d) Pensions

Contributions to the Hunting PLC defined benefit pension scheme are assessed by a qualified actuary based on the cost of providing pensions across all participating group companies, without calculation of the pension obligation for which the company is responsible. The company's share of the group contribution is based upon pensionable salaries. Contributions are charged to the profit and loss account in the period in which they become payable.

Acetech Personnel Limited

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

2 Turnover

Turnover represents the total amount receivable for services provided in the ordinary course of business as an employment agency excluding VAT, and is derived from the following geographical markets:

	2000 £'000	1999 £'000
Continuing operations:		
United Kingdom	7,099	5,128
	7,099	5,128
Discontinued operations:		
Germany	-	1,595
		1,595
Total	7,099	6,723

All turnover with the exception of £95,000 is to external customers.

3 Cost Of Sales

	2000 £'000	1999 £'000
Continuing operations	6,147	4,910
Discontinued operations	-	1,281
	6,147	6,191

4 Operating Expenses

	2000 £'000	1999 £'000
Distribution and marketing costs		
Continuing operations	-	-
Discontinued operations	-	162
	-	162
Administrative expenses		
Continuing operations	964	291
Discontinued operations	-	135
	964	426

Acetech Personnel Limited

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

5 Operating (Loss)/Profit

	2000 £'000	1999 £'000
Continuing operations	(12)	(73)
Discontinued operations	-	17
	(12)	(56)

6 Operating Loss/(Profit)

	2000 £'000	1999 £'000
Operating loss/(profit) is stated after charging the following items:		
Staff costs and directors' remuneration (note 7)	1,506	2,179
Auditors' remuneration:		
- audit services	16	24
- other services	2	4
Management charge payable to group undertaking	938	730

7 Staff Costs and Directors' Remuneration

	2000 £'000	1999 £'000
Staff costs comprise:		
Wages and salaries	1,372	2,009
Social security costs	1,34	170
	1,506	2,179

The average number of employees in the year, classified by geographical market, was as follows:

	2000 Number	1999 Number
United Kingdom	56	45
Germany	2	28
	58	73

Included in the above staff costs were directors' emoluments in respect of management services, totalling £ Nil (1999: £Nil) excluding pension contributions of £ Nil (1999: £Nil).

Acetech Personnel Limited

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

7 Staff Costs and Directors' Remuneration (Continued)

The emoluments, excluding pension contributions of £ Nil (1999: £Nil), in respect of services provided to the company during the year of the highest paid director were £Nil (1999: £Nil). Accrued benefits under a defined benefit scheme amounted to £Nil (1999: £Nil).

None of the other directors received any remuneration in respect of their services to the company.
There are 2 (1999: 2) directors with benefits accruing under defined benefit schemes in Hunting PLC.

8 Tax on Loss on Ordinary Activities

	2000 £'000	1999 £'000
Group relief receivable at 30% (1999: 30.25%)	19	53
Prior year adjustment	(18)	-
	1	53

There is no actual or potential liability to deferred taxation.

9 Debtors

	2000 £'000	1999 £'000
Trade debtors	1,211	1,864
Amounts owed by group undertakings	-	44
Other debtors	17	-
Prepayments and accrued income	18	53
	1,246	1,961

10 Creditors: Amounts Falling Due Within One Year

	2000 £'000	1999 £'000
Bank overdraft (Note 13)	579	1,363
Trade creditors	108	138
Dividend payable	350	-
Amount owed to group undertakings	22	-
Other taxation and social security	104	176
Accruals	9	134
	1,172	1,811

Acetech Personnel Limited

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

11 Called up Share Capital

	2000 £'000	1999 £'000
Authorised, allotted and fully paid 50,000 ordinary shares of £1 each	50	50

12 Reconciliation of Movements in Shareholders' Funds

	Share capital £'000	Profit and loss account £'000	Total Shareholders' funds 2000 £'000	Total Shareholders' funds 1999 £'000
Opening shareholders' funds	50	425	475	574
Retained loss for the financial year	-	(396)	(396)	(99)
Closing shareholders' funds	50	29	79	475

13 Banking Arrangements

The company is a party to a group set-off arrangement with Lloyds TSB Bank plc.

14 Contingent Liabilities

The directors are not aware of any contingent liabilities at 31 December 2000 (1999: Nil).

15 Pension Arrangements

Pension arrangements exist for employees. Under these arrangements, which apply to the majority of employees, the company makes contributions based on actuarial advice to funded pension schemes. The contributions are charged against the profit and loss account.

Employees of the company are members of the Hunting plc scheme, contributions to which are determined by the aggregate membership and funding of the scheme. On the basis of the latest actuarial valuation the value of the assets was in excess of the benefits that had accrued to members after allowing for expected future increases in pensionable earnings. Further details of the scheme are contained within the financial statements of Hunting plc, the ultimate parent undertaking.

Acetech Personnel Limited

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

16 Ultimate Parent Undertaking

The Company which is incorporated in England and Wales is a wholly owned subsidiary of Hunting Aviation Limited.

The company's ultimate parent undertaking and ultimate controlling party is Hunting PLC. Copies of the group financial statements of Hunting PLC may be obtained from 3 Cockspur Street, London SW1Y 5BQ.

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "Related party disclosures", as the consolidated financial statements of Hunting PLC in which the company is included are available at the address noted above.

19 Subsequent Events

It was announced on 15 February 2001, that an agreement was reached for sale by Hunting PLC of Acetech Personnel Limited, to Babcock Rosyth Defence Limited a wholly owned subsidiary of Babcock International Group plc.

The sale is conditional upon the shareholders' approval of both Hunting PLC and Babcock International plc.