

ACETECH PERSONNEL LIMITED
Registered Number: 349147

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1995



ACETECH PERSONNEL LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 December 1995.

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

Turnover rose in 1995 with a breakthrough into the telecoms market in the UK and also due to a revival in the German market. This led to increased profits which are expected to continue into 1996 and beyond.

RESULTS AND DIVIDENDS

The profit after taxation for the year is £117,653 (1994: £72,849) from which the directors propose a final dividend of £58,000 (1994: £36,000) and recommend that the balance of £59,653 (1994: £36,849) be transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

B J Calvert	(Resigned 31 October 1995)
W E Jacobson	(Chairman)
D P Martin	
P Stokes	(Resigned 4 April 1995)

None of the directors in office at 31 December 1995 held any interest in the shares of the company. The interests in the shares of the ultimate parent undertaking, Hunting PLC, are disclosed in the directors' report incorporated within the accounts of Hunting Aviation Limited except as follows:

	<u>At 31 December 1995</u>	<u>At 31 December 1994</u>
	<u>Executive</u>	<u>Executive</u>
	<u>Share Options</u>	<u>Share Options</u>
W E Jacobson	10,404	10,404

Options in the Executive Share Option Scheme are exercisable at various prices between 67p and 224p per share in whole or in part at various dates after 1 January 1995 and before 15 December 1999. The options of Mr W E Jacobson are exercisable at 201p.

There were no options granted during the year and none of the directors exercised any options during the year.

Hunting PLC holds a group directors' and officers' liability insurance policy which cover the directors of this company.

ACETECH PERSONNEL LIMITED

DIRECTORS' REPORT (CONTINUED)

FIXED ASSETS

The movements in tangible fixed assets are shown in note 6 to the accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

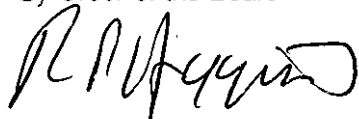
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

AUDITORS

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



R P Higgins
Secretary

27 August 1996

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF ACETECH PERSONNEL LIMITED

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

27 August 1996

ACETECH PERSONNEL LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995**

	<u>1995</u> £	<u>1994</u> £
TURNOVER (Note 2)	2,619,793	2,045,325
Cost of sales	(2,148,179)	(1,657,487)
	<hr/>	<hr/>
GROSS PROFIT	471,614	387,838
Distribution and marketing costs	(151,496)	(117,934)
Administrative expenses	(124,169)	(150,343)
	<hr/>	<hr/>
OPERATING PROFIT (Note 3)	195,949	119,561
Interest receivable	4,264	1,482
Interest payable on bank overdraft	(21,591)	(14,134)
	<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	178,622	106,909
Tax on profit on ordinary activities (Note 5)	(60,969)	(34,060)
	<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION (Note 11)	117,653	72,849
Dividends (Note 11)	(58,000)	(36,000)
	<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	<u>59,653</u>	<u>36,849</u>

Turnover and operating profits are derived from continuing activities.

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

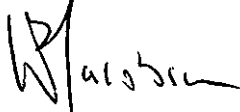
The notes on pages 6 to 12 form part of these accounts.

ACETECH PERSONNEL LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1995

	1995		1994	
	£	£	£	£
FIXED ASSETS				
Tangible assets (Note 6)		4,614		4,437
Investments (Note 7)		15,926		15,926
		<hr/>		<hr/>
		20,540		20,363
CURRENT ASSETS				
Debtors (Note 8)	1,036,876		287,910	
Cash at bank and in hand (Note 14)	223,539		102,237	
	<hr/>		<hr/>	
	1,260,415		390,147	
CREDITORS (Amounts falling due within one year) (Note 9)	(1,161,258)		(350,466)	
	<hr/>		<hr/>	
NET CURRENT ASSETS		99,157		39,681
		<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		119,697		60,044
		<hr/>		<hr/>
CAPITAL AND RESERVES				
Called up share capital (Note 10)		50,000		50,000
Profit and loss account (Note 11)		69,697		10,044
		<hr/>		<hr/>
SHAREHOLDERS' FUNDS (Note 11)		119,697		60,044
		<hr/>		<hr/>

APPROVED BY THE BOARD on 27 August 1996
Signed on behalf of the Board


W E JACOBSON
DIRECTOR

The notes on pages 6 to 12 form part of these accounts.

ACETECH PERSONNEL LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995

1 ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards with the exception of pension costs, as discussed in Note (f) below.

The company has not presented a statement of cash flows in accordance with Financial Reporting Standard 1 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 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) Depreciation

Depreciation on fixed assets is provided in equal annual instalments at the following principal rates per annum:

Office equipment	-	33 1/3%
Motor vehicles	-	25%

(c) 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.

(d) 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 crystallize in the foreseeable future.

(e) Leased assets

Operating lease rentals are charged to the profit and loss account as they fall due.

ACETECH PERSONNEL LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(i) 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.

2 TURNOVER

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

	<u>1995</u>	<u>1994</u>
	£	£
United Kingdom	1,391,503	1,463,711
Rest of Europe	1,228,290	581,614
	<hr/>	<hr/>
	2,619,793	2,045,325
	<hr/>	<hr/>

United Kingdom turnover includes sales to group undertakings of £66,433 (1994: £390,589).

3 PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£	£
Profit on ordinary activities is stated after charging the following items:		
Auditors' remuneration - audit services	-	-
- other services	950	1,450
Rent payable to group undertaking	6,584	4,800
Depreciation of tangible fixed assets	6,488	4,452
Hire of plant and machinery	32,000	-
	<hr/>	<hr/>

Audit fees are paid by the company's immediate parent undertaking.

ACETECH PERSONNEL LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

4 STAFF COSTS AND DIRECTORS' REMUNERATION

	<u>1995</u>	<u>1994</u>
	£	£
Staff costs comprise:		
Wages and salaries	889,689	1,098,722
Social security costs	88,393	105,290
Other pension costs	2,596	2,682
	<hr/>	<hr/>
	980,678	1,206,694
	<hr/>	<hr/>

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

	<u>1995</u>	<u>1994</u>
	Number	Number
United Kingdom	16	47
Rest of Europe	25	11
	<hr/>	<hr/>
	41	58
	<hr/>	<hr/>

Included in the above staff costs were directors' emoluments in respect of management services, totalling £42,488 (1994: £36,577) including pension contributions.

The emoluments, excluding pension contributions, in respect of services provided to the company during the year of the Chairman were £Nil (1994: £Nil), and of the highest paid director were £40,758 (1994: £34,857).

None of the other directors received any remuneration in respect of their services to the company.

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£	£
Group relief payable at 33%	60,036	23,000
Adjustment in respect of prior years	933	11,060
	<hr/>	<hr/>
	60,969	34,060
	<hr/>	<hr/>

There is no actual or potential liability to deferred taxation.

ACETECH PERSONNEL LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

6 TANGIBLE ASSETS

	Office <u>equipment</u> £	Motor <u>vehicles</u> £	<u>Total</u> £
<u>Cost</u>			
At 1 January 1995	2,395	17,748	20,143
Transfer from group undertaking	-	12,304	12,304
	<hr/>	<hr/>	<hr/>
At 31 December 1995	2,395	30,052	32,447
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At 1 January 1995	2,395	13,311	15,706
Charge for the year	-	6,488	6,488
Transfer from group undertaking	-	5,639	5,639
	<hr/>	<hr/>	<hr/>
At 31 December 1995	2,395	25,438	27,833
	<hr/>	<hr/>	<hr/>
<u>Net book amount</u>			
At 31 December 1995	-	4,614	4,614
	<hr/>	<hr/>	<hr/>
At 31 December 1994	-	4,437	4,437
	<hr/>	<hr/>	<hr/>

7 INVESTMENTS

	Shares in <u>subsidiary undertakings</u> £
At 31 December 1995 and 1994	15,926
	<hr/>

The company holds a 100% beneficial interest in the shares of TSC Technical Support and Consultancy GmbH, a company incorporated in Germany, whose business is that of an employment agency. The directors consider that the value of the company's investment in its subsidiary undertaking is not less than the amount stated in the balance sheet.

ACETECH PERSONNEL LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

8 DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	723,915	146,991
Amounts due from other group undertakings	5,440	107,110
Accrued income	276,516	15,779
Prepayments	31,005	18,030
	<hr/>	<hr/>
	1,036,876	287,910
	<hr/>	<hr/>

9 CREDITORS (Amounts falling due within one year)

	<u>1995</u>	<u>1994</u>
	£	£
Bank overdraft (Note 14)	709,444	169,527
Trade creditors	16,530	8,320
Amounts due to other group undertakings	69	26
Group relief payable	60,036	23,000
Other taxation and social security	221,347	58,244
Accruals	95,832	55,349
Proposed dividends	58,000	36,000
	<hr/>	<hr/>
	1,161,258	350,466
	<hr/>	<hr/>

10 CALLED UP SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£	£
Authorised, allotted and fully paid 50,000 ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>

ACETECH PERSONNEL LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital	Profit and loss account	Total Shareholders' funds 1995	Total Shareholders' funds 1994
	£	£	£	£
Opening shareholders' funds	50,000	10,044	60,044	23,195
Profit for the financial year	-	117,653	117,653	72,849
Dividends	-	(58,000)	(58,000)	(36,000)
Closing shareholders' funds	50,000	69,697	119,697	60,044

12 LEASE OBLIGATIONS

The company has annual commitments payable under operating leases for plant and machinery, which expire:

	1995	1994
	£	£
Within one year	36,000	-

13 CAPITAL COMMITMENTS

At 31 December 1995, capital expenditure contracted for and not provided for in the accounts of £nil (1994: £nil).

14 BANKING ARRANGEMENTS

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

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 accounts of Hunting PLC, the ultimate parent undertaking.

ACETECH PERSONNEL LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

16 ULTIMATE PARENT UNDERTAKING

The company which is incorporated in England and Wales is a wholly owned subsidiary of Hunting Aviation Limited which is incorporated in England and Wales, and is the smallest group to consolidate these accounts.

The company's ultimate parent undertaking is Hunting PLC which is registered in England and Wales, and is the largest group to consolidate these accounts. Copies of the group accounts of Hunting PLC are obtainable from 3 Cockspur Street, London, SW1Y 5BQ.