

**Acetech Personnel Limited**  
(Registered Number 349147)

**Directors' Report And Financial Statements**

**For The Year Ended 31 December 1999**



# Acetech Personnel Limited

## Directors' Report For The Year Ended 31 December 1999

The directors present their report and the audited financial statements for the year ended 31 December 1999.

### 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 German subsidiary was closed and two new regional offices were opened in 1999.

Given the above, trading in 1999 was satisfactory.

In December the company was awarded a 3-year enabling agreement with a major supplier within the Defence sector.

Future growth is underpinned by a new enlarged personnel database and an interactive recruitment website due to come on line in the first half of 2000.

### Results And Dividends

The loss after taxation for the year is £99,000 (1998: loss after taxation of £17,000) from which the directors do not wish to propose a final dividend (1998: £ Nil) and recommend that the balance of £99,000 (1998: £17,000) be transferred to reserves.

### Directors And Their Interests

The directors who served during the year were:

W E Jacobson (Resigned 26 February 1999)  
D J Simons  
J W Jewell (Appointed 25 February 1999)

None of the directors in office at 31 December 1999 held any interest in the shares of the company.

The following director holds options to subscribe for ordinary shares pursuant to the 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 1999	Options at date of appointment
J W J Jewell	205.00	1998 – 2005	20,000	20,000

### Savings-Related Shares Option Scheme

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

# Acetech Personnel Limited

## Directors' Report For The Year Ended 31 December 1999 (Continued)

### Directors And Their Interests (Continued)

On 1 January 1999, 25,500 nil cost options were granted to certain directors under Hunting plc's 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.

The market price of the Ordinary shares at 31 December 1999 was 113.5p and the range during the year was 100.5p to 177p.

\*On 24 February 2000, 1932 options granted to J W J Jewell at 181.66 lapsed.

Between 31 December 1999 and the date of this report there were no changes in the interests of the directors in the shares of Hunting plc.

### Year 2000

The Year 2000 programme reported in last year's financial statements has proved successful with no major problems experienced throughout the company.

### 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.

### Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office. In accordance with Section 384 of the Companies Act 1985, a resolution to appoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



D J Simons  
Director

16 June 2000

## Auditors' Report To The Members Of Acetech Personnel Limited

PricewaterhouseCoopers  
West London Office  
Harman House  
1 George Street  
Uxbridge  
Middlesex UB8 1QQ  
Telephone +44 (0) 1895 273333  
Facsimile +44 (0) 1895 274777

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 6.

### Respective Responsibilities Of Directors And Auditors

The directors are responsible for preparing the Annual Report. As described on page 2, 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.

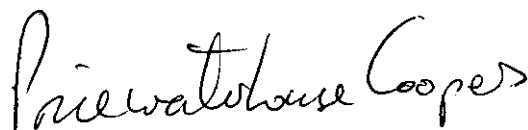
### Basis Of Audit Opinion

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 1999 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

16 June 2000

# Acetech Personnel Limited

## Profit And Loss Account For The Year Ended 31 December 1999

	<i>Note</i>	1999 £'000	1998 £'000
<b>Turnover</b>			
Continuing operations		5,128	3,331
Discontinued operations		1,595	1,327
	<b>2</b>	<b>6,723</b>	<b>4,658</b>
<b>Cost of sales</b>	<b>3</b>	<b>(6,191)</b>	<b>(4,050)</b>
Gross profit		532	608
Distribution and marketing costs	<b>4</b>	(162)	(137)
Administrative expenses	<b>4</b>	(426)	(403)
<b>Operating (loss)/profit</b>			
Continuing operations		(73)	(46)
Discontinued operations	<b>5,6</b>	17	114
		(56)	68
Loss on termination of operations	<b>10</b>	(67)	-
<b>(Loss)/Profit before interest and taxation</b>			
Continuing operations		(208)	(54)
Discontinued operations		85	122
		(123)	68
Interest receivable and similar income		1	1
Interest payable and similar charges		(30)	(94)
<b>Loss on ordinary activities before taxation</b>		<b>(152)</b>	<b>(25)</b>
Tax on loss on ordinary activities	<b>8</b>	53	8
<b>Retained loss for the financial year</b>	<b>14</b>	<b>(99)</b>	<b>(17)</b>

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

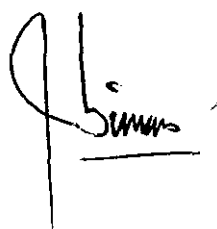
The notes on pages 6 to 12 form part of these financial statements.

# Acetech Personnel Limited

## Balance Sheet As At 31 December 1999

	<i>Note</i>	1999 £'000	1998 £'000
<b>Fixed assets</b>			
Tangible assets	9	-	-
Investments	10	-	16
		-	16
<b>Current assets</b>			
Debtors	11	1,961	1,531
Cash at bank and in hand	16	325	104
		2,286	1,635
<b>Creditors: amounts falling due within one year</b>	12	(1,811)	(1,077)
<b>Net current assets</b>		475	558
<b>Total assets less current liabilities</b>		475	574
<b>Capital and reserves</b>			
Called up share capital	13	50	50
Profit and loss account	14	425	524
<b>Shareholders' funds</b>	14	475	574

Approved by the Board on 16 June 2000 and signed on its behalf by:



D J Simons  
Director

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

# **Acetech Personnel Limited**

## **Notes To The Financial Statements For The Year Ended 31 December 1999**

### **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) 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 crystallise in the foreseeable future.

#### **(e) Leased Assets**

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

#### **(f) 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 1999 (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:

	1999 £'000	1998 £'000
Continuing operations:		
United Kingdom	5,128	3,331
	5,128	3,331
Discontinued operations:		
Germany	1,595	-
	1,595	1,327
	1,595	1,327
Total	6,723	4,658

All turnover is to external customers.

### 3 Cost Of Sales

	1999 £'000	1998 £'000
Continuing operations	4,910	2,974
Discontinued operations	1,281	1,076
	6,191	4,050

### 4 Operating Expenses

	1999 £'000	1998 £'000
<b>Distribution and marketing costs</b>		
Continuing operations	-	-
Discontinued operations	162	137
	162	137
<b>Administrative expenses</b>		
Continuing operations	291	403
Discontinued operations	135	-
	426	403



# Acetech Personnel Limited

## Notes To The Financial Statements For The Year Ended 31 December 1999 (Continued)

### 5 Operating (Loss)/Profit

	1999 £'000	1998 £'000
Continuing operations	(73)	(46)
Discontinued operating	17	114
	<u>(56)</u>	<u>68</u>

### 6 Operating Loss/(Profit)

	1999 £'000	1998 £'000
Operating loss/(profit) is stated after charging the following items:		
Staff costs and directors' remuneration (note 7)	2,179	1,638
Auditors' remuneration:		
- audit services	24	24
- other services	4	4
Management charge payable to group undertaking	730	2
Operating lease rentals:		
- land and buildings	-	2
	<u>-</u>	<u>2</u>

### 7 Staff Costs And Directors' Remuneration

	1999 £'000	1998 £'000
Staff costs comprise:		
Wages and salaries	2,009	1,496
Social security costs	170	142
Other pension costs	-	-
	<u>2,179</u>	<u>1,638</u>

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

	1999 Number	1998 Number
United Kingdom	45	38
Germany	28	22
	<u>73</u>	<u>60</u>

Included in the above staff costs were directors' emoluments in respect of management services, totalling £Nil (1998: £Nil) excluding pension contributions of £Nil (1998: £Nil).

## Acetech Personnel Limited

### Notes To The Financial Statements

For The Year Ended 31 December 1999 (Continued)

#### 7 Staff Costs And Directors' Remuneration (Continued)

The emoluments, excluding pension contributions of £Nil (1998: £Nil), in respect of services provided to the company during the year of the highest paid director were £Nil (1998: £Nil). Accrued benefits under a defined benefit scheme amounted to £Nil (1998: £Nil).

None of the other directors received any remuneration in respect of their services to the company.  
There are 2 (1998: 2) directors with benefits accruing under defined benefit schemes in Hunting plc.

#### 8 Tax On Profit On Ordinary Activities

	1999 £'000	1997 £'000
Group relief receivable at 30.25% (1998: 31%)	53	8

There is no actual or potential liability to deferred taxation.

#### 9 Tangible Assets

	Office equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>			
At 1 January 1999	2	-	2
Additions	-	-	-
<b>At 31 December 1999</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Depreciation</b>			
At 1 January 1999	2	-	2
Charge for the year 1999	-	-	-
<b>At 31 December 1999</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Net book amount</b>			
At 31 December 1999	-	-	-
At 31 December 1998	-	-	-

# Acetech Personnel Limited

## Notes To The Financial Statements For The Year Ended 31 December 1999 (Continued)

### 10 Investments

	1999 £'000	1998 £'000
Shares in subsidiary undertakings		
At 31 December	-	16

Further to the company's re-alignment of the business, the German affiliate has closed its operations during 1999. Consequently a non-operating exceptional cost of £67,000 related to the termination of the German operations has been booked in accordance with FRS 3 and the company's interests in Technical Support and Consultancy GmbH has been fully depreciated in the financial statements as at 31 December 1999.

### 11 Debtors

	1999 £'000	1998 £'000
Trade debtors	1,864	1,465
Amounts owed by group undertakings	44	-
Other debtors	-	8
Prepayments and accrued income	53	58
	1,961	1,531

### 12 Creditors: Amounts Falling Due Within One Year

	1999 £'000	1998 £'000
Bank overdraft (Note 16)	1,363	887
Trade creditors	138	19
Other taxation and social security	176	110
Accruals	134	61
	1,811	1,077

### 13 Called Up Share Capital

	1999 £'000	1998 £'000
Authorised, allotted and fully paid 50,000 ordinary shares of £1 each	50	50

# Acetech Personnel Limited

## Notes To The Financial Statements For The Year Ended 31 December 1999 (Continued)

### 14 Reconciliation Of Movements In Shareholders' Funds

	Share capital £'000	Profit and loss account £'000	Total Shareholders' funds 1999 £'000	Total Shareholders' funds 1998 £'000
Opening shareholders' funds	50	524	574	591
Loss for the financial year	-	(99)	(99)	(17)
Closing shareholders' funds	50	425	475	574

### 15 Lease Obligations

The company has annual commitments payable under non cancellable operating leases which expire:

	Land and Buildings		Other	
	1999	1998	1999	1998
Within one year	-	-	-	-
Within two to five years	-	2	-	-
	-	2	-	-

### 16 Banking Arrangements

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

### 17 Contingent Liabilities

The directors are not aware of any contingent liabilities at 31 December 1999 (1998: Nil).

### 18 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 1999 (Continued)**

#### **19 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.