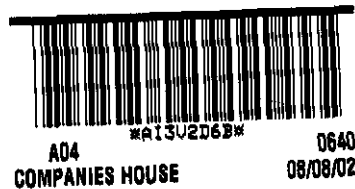


ELAN COMPUTING LIMITED

Annual Report
and
Financial Statements

31 December 2001



Registered Number: 2114287

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DIRECTORS, OFFICERS AND ADVISERS

Directors

P M Anthony
A Derx
S Hill

Secretary and Registered Office

A Jackson
Elan House
5-11 Fetter Lane
London
EC4A 1QX

Auditors

Arthur Andersen
Chartered Accountants and
Registered Auditors
180 Strand
London
WC2R 1BL

Bankers

Royal Bank of Scotland
62/63 Threadneedle Street
London
EC2H 8LA

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of the Company for the year ended 31 December 2001.

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 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 keeping 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 and review of the business

The principal activity of the Company throughout the year was that of IT recruitment specialists. Turnover for the year was £218.7m (2000 - £200.5m) whilst operating profit for the year was £0.3m (2000 - £1.1m).

Results and dividends

The results of the Company for the year are set out in the profit and loss account on page 6.

The directors do not propose the payment of a final dividend for the year (2000 - £nil).

Directors and their interests

The directors who held office during the year were:

A Derx
P Anthony
S Hill

Directors and their interests (continued)

None of the above directors hold any interest in the shares of the Company.

None of the directors had a material interest in any contract entered into by the Company during the year under review or the prior year.

Supplier payment policy

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

Charitable donations

The Company made no charitable donations during the year (2000 - £796).

Employment policy

The policy of the Company is to give full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities. Employees who become unable to carry on their duties are given individual consideration. Disabled employees may be eligible for special training.

The directors recognise the importance of communicating effectively with all levels of employees on matters, which affect their current occupations and future prospects. Communication with employees is achieved through regular individual meetings at local level and through information briefing sessions and discussions with wider groups of employees.

Special emphasis is placed on training of staff and a full range of internally organised training courses is provided for this purpose.

The Company offers a range of employee benefits to staff who qualify by reason of seniority and length of service including a pension scheme, death-in-service benefits and private medical insurance.

By order of the Board

Elan House
5-11 Fetter Lane
London
EC4A 1QX



A Jackson
Secretary

19 July 2002

INDEPENDENT AUDITORS REPORT

To the shareholders of Elan Computing Limited

We have audited the financial statements of Elan Computing Limited for the year ended 31 December 2001 which comprise the Profit and loss account, Balance sheet and the related notes numbered 1 to 18. These financial statements have been prepared under the accounting policies set out on pages 8 to 10.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. 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 with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 judgments 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 at 31 December 2001 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants and Registered Auditors
180 Strand
London
WC2R 1BL

19 July 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

		2001 £000	Restated 2000 £000
	Turnover		
	Continuing operations	218,664	200,471
<i>Note 1</i>	Cost of sales	186,800	169,307
<i>Note 1</i>	Gross profit	31,864	31,164
<i>Note 1</i>	Other operating expenses (net)	31,598	30,087
	Operating profit	266	1,077
<i>Note 2</i>	Investment income	52	21
<i>Note 3</i>	Interest payable and similar charges	1,635	733
<i>Note 4</i>	(Loss)/profit on ordinary activities before taxation	(1,317)	365
<i>Note 5</i>	Taxation	(85)	365
	Loss on ordinary activities after taxation transferred to reserves	(1,232)	-
	Statement of total recognised gains and losses		
	Loss for the financial year and total recognised gains and losses relating to the year	(1,232)	-
	Prior year adjustment (see note 15)	527	388
	Total recognised gains and losses since last annual report	(705)	388

A statement of movements on reserves is given in note 14.

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

BALANCE SHEET **AT 31 DECEMBER 2001**

		2001 £000	Restated 2000 £000
	Fixed assets		
<i>Note 6</i>	Goodwill	503	645
<i>Note 7</i>	Tangible	3,912	3,699
<i>Note 8</i>	Investments	1,823	1,416
		<u>6,238</u>	<u>5,760</u>
	Current assets		
<i>Note 9</i>	Debtors	60,718	54,741
	Cash at bank and in hand	7,802	914
		<u>68,520</u>	<u>55,655</u>
<i>Note 10</i>	Creditors – amounts falling due within one year	<u>62,795</u>	<u>47,889</u>
	Net current assets	<u>5,725</u>	<u>7,766</u>
	Total assets less current liabilities	11,963	13,526
<i>Note 11</i>	Creditors – amounts falling due after more than one year	<u>-</u>	<u>331</u>
	Net assets	<u>11,963</u>	<u>13,195</u>
	Capital and reserves		
<i>Note 14</i>	Called up equity share capital	111	111
<i>Note 15</i>	Share premium account	1,728	1,728
<i>Note 15</i>	Profit and loss account	10,124	11,356
	Equity shareholders' funds	<u>11,963</u>	<u>13,195</u>

Signed on behalf of the board on 19 July 2002.

A Derx



}
}
}
}
}
}

Directors

S Hill



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

ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

Basis of accounts preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards. The Company has not prepared group accounts as it is exempt from doing so under Section 228 Companies Act 1985 and Financial Reporting Standard 2, Accounting for Subsidiary Undertakings. The Company's intermediate holding company, Manpower PLC, prepares consolidated accounts which include the results of the Company and its subsidiaries.

Comparative figures

Following the Company's adoption of Financial Reporting Standard 19 Deferred Tax, the comparative figures for the year ended 31 December 2000 have been restated.

Cash flow statement

As permitted by Financial Reporting Standard 1 (Revised 1996), Cash Flow Statements, the Company has not prepared a cash flow statement. The cash flows of the Company are included in the consolidated cash flow statement which appears in the consolidated accounts of Manpower Inc. The consolidated accounts of this group are available to the public (see note 18).

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate and the exchange differences are dealt with in the profit and loss account.

Turnover

Turnover represents the invoiced value of services rendered, net of credits and value added tax and is derived entirely from the principal activity.

Geographical turnover analysis

Turnover was split between the following geographical locations:

	2001 £000	2000 £000
UK	208,128	183,088
Europe	<u>10,536</u>	<u>17,383</u>
	<u>218,664</u>	<u>200,471</u>

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold properties	-	over period of lease
Motor vehicles	-	25% per annum reducing balance
Furniture and equipment	-	10% - 33.33% per annum straight line

Goodwill

Goodwill represents the difference between the cost of acquisition and the fair value of the net assets acquired. The capitalised costs relating to the acquisition of new trading divisions will be amortised over 10 years. All amortisation is calculated using the straight line method and is based on the directors' assessment of the estimated useful life of the assets acquired. Provision is made for impairment.

Investments

Fixed asset investments are stated at cost less any provision for impairment.

Trade debtors and accrued income

Trade debtors and accrued income include amounts invoiced to customers net of overseas factor advances together with accrued income in respect of amounts not yet billed to customers but for whom time sheets have been received from contractors.

Leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term, even if payments are not made on such a basis.

Assets held under finance leases are capitalised and depreciated over the shorter of the lease term or their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease.

Taxation

UK corporation tax payable is provided at amounts expected to be paid using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date when, in the opinion of the directors, there is a reasonable probability of a liability arising in the foreseeable future.

Deferred taxation is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Pensions

The Company operates defined contribution pension schemes for certain permanent employees. Contributions are charged to the profit and loss account as incurred.

Related party transactions

Under the provisions of Financial Reporting Standard 8, Related Party Disclosures, the Company is not required to disclose details of transactions with other wholly owned group undertakings as it is a wholly owned subsidiary and the consolidated accounts in which the Company's results are included are available to the public.

NOTES TO THE ACCOUNTS

1. COST OF SALES, GROSS PROFIT AND OTHER OPERATING EXPENSES (NET)

	2001 £000	2000 £000
Cost of sales	218,664	169,307
Gross profit	31,864	31,164
Other operating expenses (net)	31,598	30,087

2. INVESTMENT INCOME

	2001 £000	2000 £000
Interest receivable	52	21

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £000	2000 £000
On bank overdrafts	224	720
On other loans	101	4
On loans from group undertakings	1,154	73
Exchange losses/(gains)	1,479 156	797 (64)
	1,635	733

4. **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2001	2000
	£000	£000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets		
- on owned assets	1,657	761
- on assets held under finance leases	-	40
Goodwill amortisation	142	240
Audit fees	47	74
Other auditors fees	-	23
Property rentals, net	<u>1,320</u>	<u>954</u>

Other remuneration, excluding that for audit services, received by the Company's auditors during 2001 amounted to £24,000 (2000 - £nil).

	2001	2000
	£000	£000
Staff costs (including directors) of the Company were:		
Salaries	16,549	15,757
Social security costs	1,812	1,659
Other pension costs	<u>342</u>	<u>394</u>
	<u>18,703</u>	<u>17,810</u>

	2001	2000
	Nos	Nos
The average number of persons employed by the Company during the period, including directors, was:		
Branch and administrative staff	<u>424</u>	<u>448</u>

	2001	2000
	£000	£000
The remuneration of the Company's directors was as follows:		
Emoluments	381	367
Company contributions to money purchase pension schemes	<u>4</u>	<u>-</u>
	<u>385</u>	<u>367</u>

4. **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)**

	2001 £000	2000 £000
The number of directors who were members of pension schemes was as follows:		
Money purchase schemes	<u>1</u>	<u>1</u>

	2001 £000	2000 £000
The above amounts for remuneration include the following in respect of the highest paid director:		
Emoluments	<u>141</u>	<u>157</u>

5. **TAXATION**

	2001 £000	2000 £000
The tax charge comprises:		
Current tax		
UK corporation tax	45	892
Overprovision in prior years	<u>(330)</u>	<u>-</u>
Total current tax	<u>(285)</u>	<u>892</u>
Deferred tax		
Origination and reversal of timing differences	<u>200</u>	<u>(527)</u>
Total deferred tax	<u>200</u>	<u>(527)</u>
Total tax on (loss)/profit on ordinary activities	<u>(85)</u>	<u>365</u>

5. **TAXATION (continued)**

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2001 £000	2000 £000
(Loss)/profit on ordinary activities before tax	(1,317)	365
Tax on (loss)/profit on ordinary activities at standard UK tax rate of 30% (2000 – 30%)	(395)	110
Effects of:		
Expenses not deductible for tax purposes	314	756
Depreciation in excess of capital allowances	126	26
Adjustments to tax charge in respect of previous periods	(330)	-
	(285)	892

6. **GOODWILL**

	2001 £000	2000 £000
Cost		
At 1 January	789	789
Additions	-	-
At 31 December	789	789
Amortisation		
At 1 January	144	38
Charge for the year	142	106
	286	144
Net book value		
At 31 December	503	645

7. **TANGIBLE FIXED ASSETS**

	Motor vehicles £000	Furniture and equipment £000	Total £000
Cost			
At 1 January 2001	25	5,070	5,095
Additions	-	1,870	1,870
At 31 December 2001	25	6,940	6,965
Depreciation			
At 1 January 2001	21	1,375	1,396
Charge for the year	4	1,653	1,657
At 31 December 2001	25	3,028	3,053
Net book value			
At 31 December 2001	-	3,912	3,912
At 31 December 2000	4	3,695	3,699

The net book value of assets held under finance leases at 31 December 2001 was nil (2000 - £13,000).

8. **FIXED ASSET INVESTMENTS**

	2001 £000	2000 £000
Cost		
At 1 January	1,416	1,419
Additions	407	-
Disposals	-	(3)
At 31 December	1,823	1,416

On 25 July 2001, the Company subscribed for 500 Ordinary shares of 1,000DKK each in a newly incorporated company, Elan Computing A/S, a company registered in Denmark, for a cash consideration of £42,000.

On 8 August 2001, the Company acquired 19% and entered into an option arrangement to acquire a further 79% of the issued share capital of Elan Telecommunications Group Limited (formerly Ambridge Group Limited), a company registered in England and Wales and which is the holding company of a group providing resource management. On 21 November 2001, the Company exercised its option in full. The aggregate purchase consideration of £365,000 was satisfied in cash.

8. **FIXED ASSET INVESTMENTS (continued)**

At 31 December 2001, the Company's investment in subsidiary undertakings comprised the following companies:

	% owned	Principal Activity	Place of Incorporation
Elan Computing (Scotland) Limited	100	Dormant	England & Wales
Elan Computing (Northern) Limited	100	Dormant	England & Wales
Elan Computing (Midlands) Limited	100	Dormant	England & Wales
The House of Catalyst Limited	100	Dormant	England & Wales
Elan Telecommunications Group Limited	98	Resource management	England & Wales
Elan Recruitment Limited	100	IT recruitment	Ireland
Elan Computing (Asia) Limited	100	IT recruitment	Hong Kong
Elan Computing Schweiz AG, Zurich	100	Dormant	Switzerland
Elan Computing A/S	100	IT recruitment	Denmark

9. **DEBTORS**

	2001 £000	Restated 2000 £000
Amounts falling due within one year:		
Trade debtors	35,946	43,637
Amounts owed by other group undertakings	22,875	9,066
Other debtors	777	633
Prepayments and accrued income	883	968
	<u>60,481</u>	<u>54,304</u>
Amounts falling due after more than one year:		
Deferred tax	237	437
	<u>60,718</u>	<u>54,741</u>
Deferred tax comprises:		
Accelerated capital allowances	187	56
Other timing differences	50	381
	<u>237</u>	<u>437</u>

10. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £000	2000 £000
Bank loans and overdraft	2,927	13,225
Trade creditors	2,711	3,502
Amounts owed to other group undertakings	50,976	23,613
Amounts owed to subsidiary undertakings	88	88
Taxation and social security	640	777
Other creditors	783	2,817
Accruals and deferred income	4,670	3,854
Finance leases	-	13
	<u>62,795</u>	<u>47,889</u>

11. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £000	2000 £000
Bank loans	<u>-</u>	<u>331</u>

12. ANALYSIS OF BORROWINGS

	2001		2000	
	Loans £000	Finance leases £000	Loans £000	Finance Leases £000
* In one year or less	-	-	85	-
* Between one and two years	-	-	110	-
* Between two and five years	-	-	221	-
	-	-	416	-
Less: included in creditors	-	-	-	-
Amounts falling due within one year	-	-	85	-
	-	-	331	-

13. *CALLED UP EQUITY SHARE CAPITAL*

	2001 £000	2000 £000
Authorised		
12,500,000 Ordinary shares of 1p each	125	125
Allotted, called up and fully paid		
11,051,030 Ordinary shares of 1p each	111	111

There were no movements in share capital during the year.

14. *RECONCILIATION AND MOVEMENT IN RESERVES AND SHAREHOLDERS' FUNDS*

	Called-up share capital £000	Share premium account £000	Profit & loss account £000	Total equity Shareholders' funds £000
At 1 January 2001				
- as previously stated	111	1,728	10,829	12,668
Prior year adjustment	-	-	527	527
As restated	111	1,728	11,356	13,195
Loss for the year	-	-	(1,232)	(1,232)
At 31 December 2001	111	1,728	10,124	11,963

15. *PRIOR YEAR ADJUSTMENT*

The Company's policy for calculating deferred taxation was changed during the year following the adoption of Financial Reporting Standard 19 Deferred Tax. The comparative figures in the primary statement and notes have been restated to reflect the new policy.

15. *PRIOR YEAR ADJUSTMENT (continued)*

The effects of the changes are summarised below:

	2001 £000	2000 £000
Profit and loss account		
Taxation	<u>200</u>	<u>(527)</u>
(Decrease)/increase in profit for the financial year	<u>(200)</u>	<u>527</u>

The prior year adjustment in the year ended 31 December 2000 amounting to £388,000 represented a change in the Work in Progress accounting policy.

16. *FINANCIAL COMMITMENTS*

At 31 December 2001 the Company had entered into numerous operating leases in respect of its leasehold premises, the terms, conditions and length of which vary considerably. The minimum annual rentals under the foregoing leases are as follows:-

	Leasehold property £000	Other £000	Total £000
At 31 December 2001			
Operating leases which expire:			
* within one year	5	-	5
* between one and five years	28	-	28
* after five years	<u>1,716</u>	<u>-</u>	<u>1,716</u>
	<u>1,749</u>	<u>-</u>	<u>1,749</u>
At 31 December 2000			
Operating leases which expire:			
* within one year	1,424	-	1,424
* between one and five years	761	-	761
* after five years	<u>1,174</u>	<u>-</u>	<u>1,174</u>
	<u>3,359</u>	<u>-</u>	<u>3,359</u>

17. RELATED PARTY DISCLOSURES

During the year, fees paid for consultancy services provided by either shareholders or by companies in which shareholders have a material interest were:

Jobsite UK (Worldwide) Limited	£216,442
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During the year, fees received for advertising and consultancy were:

Jobsite UK (Worldwide) Limited	£141,183
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At 31 December 2001, the following amounts were payable in respect of the above transactions:

Jobsite UK (Worldwide) Limited	£15,918
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18. ULTIMATE HOLDING COMPANY

The Company's ultimate parent company is Manpower Inc., a company incorporated in the United States of America.

The Company's immediate parent company is Elan Group Limited, a company registered in England and Wales.

The largest group in which the results of Elan Computing Limited are consolidated is that headed by Manpower Inc. whose principal place of business is at 5301 North Ironwood Road, Milwaukee, Wisconsin 53201, USA. The consolidated accounts of this group are available to the public and may be obtained from the above address.

The smallest group in which the results of Elan Computing Limited are consolidated is that headed by Manpower PLC whose principal place of business is at Manpower House, 272 High Street, Slough, Berkshire SL1 1LJ. The consolidated accounts of this group are available to the public and may be obtained from Companies House.