

ELAN COMPUTING LIMITED

**Annual Report
and
Financial Statements**

31 December 2005



Registered Number: 2114287

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DIRECTORS, OFFICERS AND ADVISERS

Directors

P Asemota
S J Burton
S L Costello
S S Lorde

Secretary and Registered Office

G Nikodem
Elan House
5-11 Fetter Lane
London
EC4A 1QX

Auditors

Deloitte & Touche LLP
Chartered Accountants and
Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

Bankers

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2005

The directors submit their report together with the audited financial statements of the Company for the year ended 31 December 2005.

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year 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 and;
- ◆ state whether applicable accounting standards have been followed.

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 the system of internal control, 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.

The directors expect that the present level of activity of the business will continue for the foreseeable future.

Results and dividends

The Company has a profit for the year after taxation of £27,684,000 (2004 - £1,510,000).

The directors do not propose the payment of a final dividend for the year (2004 - £nil).

Financial Risk Management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due.

Financial Risk Management (continued)

The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk.

Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risk the directors consider relevant to this company is credit risk. This risk is mitigated through a robust credit control function.

Directors and their interests

The directors who served throughout the year and subsequently, except as noted were as follows:

	<i>Appointed</i>	<i>Resigned</i>
P Asemota	29 January 2005	-
SJ Burton	13 December 2005	31 July 2006
S L Costello	4 December 2002	-
S S Lorde	28 June 2004	31 July 2006

The directors had no beneficial interest in the shares of the Company or its holding companies that require disclosure under Schedule 7 of the Companies Act 1985.

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.

At the year end the Company had an average of 2.8 days of purchases outstanding in trade creditors (2004 – 5.0 days).

Charitable and political donations

The Company made no charitable or political donations during the year (2004 - £nil).

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.

Employment policy (continued)

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 that qualifies by reason of seniority and length of service including a pension scheme, death-in-service benefits and private medical insurance.

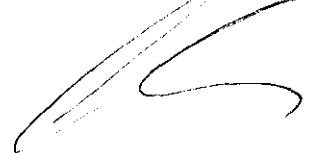
Auditors

During the year PricewaterhouseCoopers LLP resigned as auditors to the company. Deloitte & Touche LLP were appointed and have expressed their willingness to continue in office as auditors. A resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Elan House
5-11 Fetter Lane
London
EC4A 1QX

26 September 2006

On behalf of the Board



S L Costello
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELAN COMPUTING LIMITED

We have audited the financial statements of Elan Computing Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the statement of accounting policies and the related notes set out on pages 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 the other information contained in the annual report for the above year as described in the contents section 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London
26 September 2006

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

		2005 £000	2004 £000
	Turnover	211,931	163,071
	Cost of sales	<u>(187,961)</u>	<u>(144,580)</u>
	Gross profit	23,970	18,491
	Other operating expenses	(21,561)	(17,037)
<i>Note 2</i>	Exceptional item	<u>26,000</u>	<u>(140)</u>
	Operating profit	28,409	1,314
<i>Note 3</i>	Interest receivable and similar income	218	23
<i>Note 4</i>	Interest payable and similar charges	<u>(75)</u>	<u>(77)</u>
<i>Note 5</i>	Profit on ordinary activities before taxation	28,552	1,260
<i>Note 7</i>	Taxation	<u>(868)</u>	<u>250</u>
	Profit on ordinary activities after taxation transferred to reserves	<u>27,684</u>	<u>1,510</u>

All turnover and operating expenses derive from continuing operations

A statement of movements on reserves is given in note 15.

**STATEMENT OF TOTAL RECOGNISED GAINS AND
LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2005**

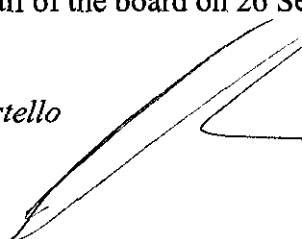
	2005	2004
	£000	£000
Profit for the financial year	27,684	1,510
Gain on foreign currency translation	<u>2</u>	<u>-</u>
Total recognised gains and losses since last annual report	<u>27,686</u>	<u>1,510</u>

BALANCE SHEET **AT 31 DECEMBER 2005**

		2005 £000	2004 £000
	Fixed assets		
<i>Note 8</i>	Intangible	105	159
<i>Note 9</i>	Tangible	862	858
<i>Note 10</i>	Investments	<u>778</u>	<u>778</u>
		<u>1,745</u>	<u>1,795</u>
	Current assets		
<i>Note 11</i>	Debtors	70,163	38,010
	Cash at bank and in hand	<u>354</u>	<u>2,043</u>
		70,517	40,053
<i>Note 12</i>	Creditors – amounts falling due within one year	<u>(22,818)</u>	<u>(19,807)</u>
	Net current assets	<u>47,699</u>	<u>20,246</u>
	Total assets less current liabilities	49,444	22,041
<i>Note 13</i>	Provisions for liabilities and charges	<u>(160)</u>	<u>(443)</u>
	Net assets	<u>49,284</u>	<u>21,598</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>	Capital contribution	16,160	16,160
<i>Note 15</i>	Profit and loss account	<u>31,285</u>	<u>3,599</u>
	Equity shareholders' funds	<u>49,284</u>	<u>21,598</u>

Signed on behalf of the board on 26 September 2006

S L Costello



Director

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 United Kingdom law and accounting Standards.

The Company has not prepared group accounts as it is exempt from doing so under Section 228 Companies Act 1985. The Company's intermediate holding company prepares consolidated accounts, which include the results of the Company and its subsidiaries (see note 15).

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 15).

Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and written off over a straight line basis over its useful economic life, which is ten years. Provision is made for any impairment.

Tangible fixed assets

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

Leasehold properties	-	over period of lease
Furniture and equipment	-	3-10 years
Computer equipment	-	3 years

Investments

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

Taxation

Current taxation, including UK corporation tax payable is provided at amounts expected to be paid (or recovered) 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 where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Deferred tax is measured 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. Deferred tax is measured on a non-discounted basis.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of value added tax, trade discounts, and other sales related taxes.

Pensions

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

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. The resulting monetary assets and liabilities are translated at the rate of exchange prevailing at the balance sheet date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet. Exchange differences arising on translation of the opening net assets, are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

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.

Rentals received on sub leases and charged to the profit and loss account on a straight-line basis over the sub lease term.

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 (see note 15).

NOTES TO THE ACCOUNTS

1. SEGMENT INFORMATION

The directors are of the opinion that the businesses of the group are substantially similar in that they all relate to the provision of employees.

Turnover was split between the following geographical locations:

	2005 £000	2004 £000
UK	204,734	158,643
Europe	<u>7,197</u>	<u>4,428</u>
	<u>211,931</u>	<u>163,071</u>

2. EXCEPTIONAL ITEMS

	2005 £000	2004 £000
Goodwill written off	-	(140)
Gain on disposal of trademarks	<u>26,000</u>	<u>-</u>
	26,000	(140)

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2005 £000	2004 £000
Interest receivable	7	23
Interest receivable on loans to group undertakings	<u>211</u>	<u>-</u>
	<u>218</u>	<u>23</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £000	2004 £000
On other loans	42	29
On loans from group undertakings	<u>33</u>	<u>48</u>
	<u>75</u>	<u>77</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2005 £000	2004 £000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets		
- On owned assets	174	196
Goodwill amortisation	54	54
Audit fees	50	60
Property rentals, net	<u>828</u>	<u>625</u>

Other remuneration, excluding that for audit services, received by the Company's auditors during 2005 amounted to £nil (2004 - £nil).

6. STAFF COSTS

	2005 £000	2004 £000
Staff costs (including directors) of the Company were:		
Salaries	10,217	7,081
Social security costs	1,141	751
Other pension costs	218	177
	<u>11,576</u>	<u>8,009</u>
	2005 Number	2004 Number
The average number of persons employed by the Company during the period, including directors, was:		
Branch and administrative staff	<u>299</u>	<u>207</u>

Remuneration costs for the directors in 2005 are borne by the holding company Elan Group Ltd, and are disclosed in that companies Statutory Accounts. In 2004 Directors remuneration costs were borne in Elan Computing Limited.

7. TAXATION

	2005 £000	2004 £000
The tax charge comprises:		
UK Corporation tax at 30%	699	-
Adjustments to tax charge in respect of previous periods	<u>-</u>	<u>(206)</u>
Total current tax	<u>699</u>	<u>(206)</u>
Deferred tax		
Origination and reversal of timing differences	147	40
Increase in estimate of recoverable deferred tax assets	<u>22</u>	<u>(84)</u>
Total deferred tax	<u>169</u>	<u>(44)</u>
Total tax on profit on ordinary activities	<u>868</u>	<u>(250)</u>

7. *TAXATION (continued)*

The difference 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

	2005 £000	2004 £000
Profit on ordinary activities before tax	<u>28,552</u>	<u>1,260</u>
Tax on profit/(loss) on ordinary activities at standard UK tax rate of 30% (2004 – 30%)	8,566	378
Effects of:		
Expenses not deductible/ (income not chargeable) for tax purposes	(7,649)	92
Depreciation in excess of capital allowances and other short term timing differences	(137)	11
Utilisation of tax losses	(81)	(481)
Adjustments to tax charge in respect of previous periods	<u>-</u>	<u>(206)</u>
Current tax charge/ (credit)	<u>699</u>	<u>(206)</u>

8. *INTANGIBLE ASSETS***Goodwill**

	2005 £000
Cost	
At 1 January 2005 and 31 December 2005	<u>540</u>

Amortisation

At 1 January	381
Charge for year	<u>54</u>
At 31 December 2005	<u>435</u>

Net book value

At 31 December 2005	<u>105</u>
At 31 December 2004	<u>159</u>

9. **TANGIBLE FIXED ASSETS**

	Leasehold improvements £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost				
At 1 January 2005	888	168	4,625	5,681
Additions	100	60	18	178
At 31 December 2005	988	228	4,643	5,859
Depreciation				
At 1 January 2005	140	58	4,625	4,823
Charge for the year	153	18	3	174
At 31 December 2005	293	76	4,628	4,997
Net book value				
At 31 December 2005	695	152	15	862
At 31 December 2004	748	110	-	858

10. **FIXED ASSET INVESTMENTS**

	2005 £000	2004 £000
Cost		
At 1 January and 31 December	778	778

At 31 December 2004, the Company's investment in subsidiary undertakings comprised the following companies:

	% owned	Principal Activity	Place of Incorporation
Elan Resource Support Services Limited	100	IT Recruitment	England & Wales

11. DEBTORS

	2005	2004
	£000	£000
Amounts falling due within one year:		
Trade debtors	33,357	32,438
Work in progress	2,645	-
Amounts owed by other group undertakings	33,063	3,794
Corporation tax debtor	73	-
Other debtors	52	168
Prepayments and accrued income	527	996
	<u>69,717</u>	<u>37,396</u>
Amounts falling due after more than one year:		
Deferred tax	445	614
	<u>70,162</u>	<u>38,010</u>
Deferred tax comprises:		
Accelerated capital allowances	227	295
Other timing differences	218	235
Tax losses carried forward	-	84
	<u>445</u>	<u>614</u>
Asset at the start of the year	614	570
Credited to profit and loss	(169)	44
	<u>445</u>	<u>614</u>

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£000	£000
Trade creditors	3,934	1,966
Amounts owed to other group undertakings	9,923	12,575
Corporation tax creditor	1,089	-
Taxation and social security	6,026	1,449
Other creditors	135	2,597
Accruals and deferred income	1,711	1,220
	<u>22,818</u>	<u>19,807</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	2005	2004
	£000	£000
Balance at 1 January	443	877
Movement during the year	<u>(283)</u>	<u>(434)</u>
Balance at 31 December	<u>160</u>	<u>443</u>

All provisions held relate to properties of which £80,000 is expected to be utilised in the next financial year.

14. CALLED UP EQUITY SHARE CAPITAL

	2005	2004
	£000	£000
Authorised		
12,500,000 Ordinary shares of 1p each	<u>125</u>	<u>125</u>
Allotted, called up and fully paid		
11,051,030 Ordinary shares of 1p each	<u>111</u>	<u>111</u>

There were no movements in share capital during the year.

15. RECONCILIATION AND MOVEMENT IN RESERVES AND SHAREHOLDERS' FUNDS

	Called-up share capital £000	Share premium account £000	Capital Contribution £000	Profit & loss account £000	Total equity Shareholders' Funds £000
At 1 January 2005	111	1,728	16,160	3,599	21,598
Profit for the year	-	-	-	27,686	27,686
At 31 December 2005	111	1,728	16,160	31,285	49,284

16. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows: -

At 31 December 2005	Property £000	Other £000	Total £000
Operating leases which expire:			
* within one year	106	6	112
* between one and five years	1,279	28	1,307
* after five years	160	-	1,074
	1,545	34	1,579

At 31 December 2004	Property £000	Other £000	Total £000
Operating leases which expire:			
* within one year	36	3	39
* between one and five years	335	39	374
* after five years	1,189	1	1,190
	1,560	43	1,603

17. *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 only other group in which the results of Elan Computing Limited are consolidated is that headed by Manpower Europe Holdings ApS whose principal place of business is at Dampfaegavej 3,2, 2100 Copenhagen OE, Denmark. The consolidated accounts of this group are available to the public and may be obtained from the above address.