

ELAN COMPUTING LIMITED

**Annual Report
and
Financial Statements**

31 December 2007

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Registered Number 2114287

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DIRECTORS, OFFICERS AND ADVISERS

Directors

P Asemota
S L Costello
S Johnson

Secretary and Registered Office

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

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

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 2007

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 that 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

The Company's principal activity is that of IT recruitment specialists.

Business review

There have been no significant changes in the Company's principal activity during the year under review and the directors are not aware at the date of this report of any likely major changes in either the nature or level of the Company's activities in the next year.

Business review (continued)

As shown in the profit and loss account on page 8, the Company's profit after taxation was £907,000 (2006 - £160,000). The Company's trading performance during the year was satisfactory having regard to the challenging market conditions encountered throughout the year.

Key performance indicators	2007	2006
Gross margin (1)	8.8%	9.9%
Operating profit margin (2)	0.3%	0.2%

(1) Gross margin = gross profit as a percentage of turnover

(2) Operating profit margin = operating profit as a percentage of turnover.

The Company's turnover has increased by 20.8% from £263,758,000 to £318,562,000 as a result of a 30% increase in the average contractor base over the year. The Company experienced an overall decline in its gross margin owing to continuing competitive pressures. However, the reduction in gross margin was mitigated by the implementation of a rigorous cost control programme, such that the Company was able to increase its operating profit margin.

The balance sheet on page 10 of the financial statements shows that the Company's financial position at the year end has, in net asset terms, increased by 2.6% from £33,059,000 to £33,912,000.

The directors did not pay an interim dividend for the year (2006 - £16,400,000). The directors do not propose the payment of a final dividend for the year (2006 - £nil).

Principal risk and uncertainties

Competitive pressure in the UK is a continuing risk for the Company, which could result in it losing sales to its key competitors. The Company manages this risk by providing added value services to its customers, building and maintaining strong customer relationships and operating efficient supply and account handling procedures.

Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund obligations arising from liabilities as they fall due. 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 that the directors consider relevant to this Company is credit risk. This risk is mitigated through a robust credit control function. The company does not hold any financial derivatives instruments at the year end.

Directors and their interests

P Asemota and S L Costello held office as directors of the Company throughout the year

On 19 March 2007, R Powell was appointed as a director of the Company. On 31 March 2008, R Powell resigned as a director of the Company

On 1 April 2008, S M Johnson was appointed as a director 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

Information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

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

Employees

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 15

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

Employees (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 who qualify by reason of seniority and length of service including a pension scheme, death-in-service benefits and private medical insurance

Elan House
5-11 Fetter Lane
London
EC4A 1QX

12 / 09 | 2008

By order 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 2007 which comprise profit and loss account, the statement of total recognised gains and losses, the balance sheet, the statement of accounting policies and the related notes 1 to 16. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 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 judgments 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.

INDEPENDENT AUDITORS' REPORT (continued)

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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

12th September

2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

		2007 £000	2006 £000
	Turnover		
<i>Note 1</i>	Continuing operations	318,562	263,758
	Cost of sales	<u>(290,452)</u>	<u>(237,628)</u>
	Gross profit	28,110	26,130
<i>Note 2</i>	Other operating expenses (net)	<u>(27,112)</u>	<u>(25,708)</u>
	Operating profit	998	422
<i>Note 3</i>	Interest receivable and similar income	29	28
<i>Note 4</i>	Interest payable and similar charges	<u>(164)</u>	<u>(78)</u>
<i>Note 5</i>	Profit on ordinary activities before taxation	863	372
<i>Note 6</i>	Taxation credit (charge) on profit on ordinary activities	<u>44</u>	<u>(212)</u>
<i>Note 14</i>	Profit on ordinary activities after taxation and profit for the year	<u>907</u>	<u>160</u>

All items in the profit and loss account relate to continuing activities

The accompanying notes form part of these financial statements

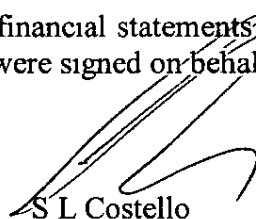
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 £000	2006 £000
Profit for the financial year	907	160
(Loss)/gain on foreign currency translation	<u>(54)</u>	<u>15</u>
Total recognised gains and losses since last annual report	<u>853</u>	<u>175</u>

BALANCE SHEET **AT 31 DECEMBER 2007**

		2007 £000	2006 £000
	Fixed assets		
<i>Note 7</i>	Intangible	881	51
<i>Note 8</i>	Tangible	548	651
<i>Note 9</i>	Investments	<u>779</u>	<u>778</u>
		<u>2,208</u>	<u>1,480</u>
	Current assets		
<i>Note 10</i>	Debtors	121,419	56,854
	Cash at bank and in hand	<u>11,297</u>	<u>6,979</u>
		132,716	63,833
<i>Note 11</i>	Creditors – amounts falling due within one year	<u>(100,911)</u>	<u>(32,144)</u>
	Net current assets	<u>31,805</u>	<u>31,689</u>
	Total assets less current liabilities	34,013	33,169
<i>Note 12</i>	Provision for liabilities	<u>(101)</u>	<u>(110)</u>
	Net assets	<u>33,912</u>	<u>33,059</u>
	Capital and reserves		
<i>Note 13</i>	Called up share capital	111	111
<i>Note 14</i>	Share premium account	1,728	1,728
<i>Note 14</i>	Capital contribution	16,160	16,160
<i>Note 14</i>	Profit and loss account	<u>15,913</u>	<u>15,060</u>
<i>Note 14</i>	Shareholders' funds	<u>33,912</u>	<u>33,059</u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on behalf of the board on 12 / 09 / 2008



S L Costello

Director

The accompanying notes form part of these financial statements

ACCOUNTING POLICIES

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

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 consolidated financial statements as it is exempt from doing so under Section 228 Companies Act 1985 and Financial Reporting Standard 2, Accounting for Subsidiary Undertakings, as its intermediate holding company, Manpower Europe Holdings ApS (see note 16), prepares consolidated financial statements which include the results of the Company.

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 results of the Company are included in the consolidated financial statements of Manpower Inc. which are available to the public (see note 16).

Intangible fixed assets

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.

Capitalised software is written off over a straight line basis over its useful economic life, which is between 3 and 5 years.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over their estimated useful lives as follows:

Leasehold properties	-	over the term of the lease
Furniture and equipment	-	3 – 10 years
Computer equipment	-	3 years

Residual value is calculated on prices prevailing at the date of acquisition.

Investments

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

Turnover

Turnover represents the invoiced value of services rendered, net of credits and value added tax and is derived entirely in the United Kingdom from the principal activity. Turnover arising from temporary placements is recognised over the period that temporary staff are provided. Turnover arising from the placement of permanent candidates is recognised at the time the candidate commences full time employment

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. Further information on charges in the year and future commitments is given in notes 5 and 15 respectively. The terms of all operating leases are continually reviewed and a provision is made for the discounted value of future onerous lease payments where appropriate.

Pensions

The Company operates a defined contribution pension scheme for certain permanent employees. Contributions are charged to the profit and loss account as incurred. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

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.

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

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 16)

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

	2007 £000	2006 £000
UK	307,122	255,652
Europe	11,440	8,106
	<u>318,562</u>	<u>263,758</u>

2. OTHER OPERATING EXPENSES

	2007 £000	2006 £000
Administrative expenses	19,380	18,186
Royalty fees	4,040	3,215
Intra group management charge	3,692	4,307
Other operating expenses	<u>27,112</u>	<u>25,708</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £000	2006 £000
Interest receivable on bank deposits	<u>29</u>	<u>28</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £000	2006 £000
On other loans	82	33
On loans from group undertakings	82	45
	<u>164</u>	<u>78</u>

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

	2007 £000	2006 £000
Profit on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
- on owned assets	228	216
Software amortisation	81	-
Goodwill amortisation	51	54
Property rentals - net	<u>842</u>	<u>822</u>

The analysis of auditors' remuneration is as follows

Fees payable to the Company's auditors for the audit of the Company's annual accounts

	<u>115</u>	<u>58</u>
Total audit fees	<u>115</u>	<u>58</u>

Other remuneration, excluding that for audit services, received by the Company's auditors during the year amounted to £nil (2006 - £nil)

	2007 £000	2006 £000
Staff costs of the Company including directors of the Company were.		
Salaries	12,087	11,330
Social security costs	1,285	1,190
Other pension costs	<u>234</u>	<u>242</u>
	<u>13,606</u>	<u>12,762</u>

	2007 Nos	2006 Nos
The monthly average number of persons employed by the Company during the year, including directors, was		
Branch and administrative staff	<u>361</u>	<u>318</u>

Remuneration costs for the directors are borne by the holding company, Elan Group Limited, and are disclosed in that company's financial statements

6. **TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	2007 £000	2006 £000
Comprises		
UK corporation tax	456	289
(Over)/under provision in prior years	<u>(545)</u>	<u>302</u>
Total current tax (credit)/charge	<u>(89)</u>	<u>591</u>
Deferred tax		
Origination and reversal of timing differences	(10)	(57)
(Decrease)/increase in estimate of recoverable deferred tax assets	<u>55</u>	<u>(322)</u>
Total deferred tax charge/(credit)	<u>45</u>	<u>(379)</u>
Total tax (credit)/charge on profit on ordinary activities	<u>(44)</u>	<u>212</u>

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

	2007 £000	2006 £000
Profit on ordinary activities before taxation	<u>863</u>	<u>372</u>
Tax on profit on ordinary activities at standard UK tax rate of 30% (2006 – 30%)	259	112
Effects of		
Expenses not deductible for tax purposes	42	119
Depreciation in excess of capital allowances and other short term timing differences	155	58
Adjustments to tax charge in respect of previous periods	<u>(545)</u>	<u>302</u>
Current tax (credit)/charge for year	<u>(89)</u>	<u>591</u>

The government enacted legislation to reduce the corporation tax rate in the United Kingdom from 30% to 28% from 1 April 2008. The legislation to effect this change was substantively enacted on 26 June 2007 and accordingly the carrying value of the company's deferred tax balances has been adjusted at 31 December 2007 such that the deferred tax asset is calculated at 28%.

7. **INTANGIBLE FIXED ASSETS**

Group	Goodwill £000	Computer software £000	Total £000
Cost			
At 1 January 2007	540	-	540
Additions	-	962	962
At 31 December 2007	540	962	1,502
Amortisation			
At 1 January 2007	489	-	489
Charge for the year	51	81	132
At 31 December 2007	540	81	621
Net book value			
At 31 December 2007	-	881	881
At 31 December 2006	51	-	51

8. **TANGIBLE FIXED ASSETS**

Group	Leasehold improvements £000	Furniture and equipment £000	Computer Equipment £000	Total £000
Cost				
At 1 January 2007	988	233	4,643	5,864
Additions	97	24	4	125
At 31 December 2007	1,085	257	4,647	5,989
Depreciation				
At 1 January 2007	456	123	4,634	5,213
Charge for the year	168	51	9	228
At 31 December 2007	624	174	4,643	5,441
Net book value				
At 31 December 2007	461	83	4	548
At 31 December 2006	532	110	9	651

9. **FIXED ASSET INVESTMENTS**

	2007 £000	2006 £000
Cost		
At 1 January	778	778
Additions	<u>1</u>	<u>-</u>
At 31 December	<u>779</u>	<u>778</u>

At 31 December 2007, the Company's investment in subsidiary undertakings comprised the following

	% owned	Principal activity	Place of incorporation
Elan Resource Support Services Limited	100	IT recruitment	England & Wales

10. **DEBTORS**

	2007 £000	2006 £000
Amounts falling due within one year		
Trade debtors	52,769	35,483
Work in progress	39,901	3,394
Amounts owed by group undertakings	23,637	16,722
Taxation and social security	3,424	-
Other debtors	120	110
Prepayments and accrued income	<u>789</u>	<u>321</u>
	<u>120,640</u>	<u>56,030</u>
Amounts falling due after more than one year		
Deferred tax	<u>779</u>	<u>824</u>
	<u>121,419</u>	<u>56,854</u>
Deferred tax comprises		
Accelerated capital allowances	591	567
Other timing differences	<u>188</u>	<u>257</u>
	<u>779</u>	<u>824</u>
The movement on deferred tax comprises		
At 1 January	824	445
(Charged)/credited to profit and loss	<u>(45)</u>	<u>379</u>
At 31 December	<u>779</u>	<u>824</u>

11. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£000	£000
Trade creditors	9,045	4,450
Amounts owed to group undertakings	82,405	22,511
Corporation tax creditor	1,601	1,637
Taxation and social security	-	1,384
Other creditors	5,835	253
Accruals and deferred income	<u>2,025</u>	<u>1,909</u>
	<u>100,911</u>	<u>32,144</u>

12. PROVISIONS FOR LIABILITIES

	2007	2006
	£000	£000
At 1 January	110	160
Utilised in the year	<u>(9)</u>	<u>(50)</u>
At 31 December	<u>101</u>	<u>110</u>

All provisions held relate to properties of which £15,000 is expected to be utilised in the next financial year

13. CALLED UP SHARE CAPITAL

	2007	2006
	£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>

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

	Share premium account £000	Capital contribution £000	Profit & loss account £000	Total £000
At 1 January 2007	1,728	16,160	15,060	32,948
Profit for the year	-	-	907	907
Loss on foreign currency translation	-	-	(54)	(54)
At 31 December 2007	1,728	16,160	15,913	33,801

Reconciliation of movement in shareholders' funds

	2007 £000	2006 £000
Profit for the year	853	175
Dividend paid on equity shares	-	(16,400)
Net increase in/(reduction to) shareholders' funds	853	(16,225)
Opening shareholders' funds	33,059	49,284
Closing shareholders' funds	33,912	33,059

15. **FINANCIAL COMMITMENTS**

At 31 December 2007 the Company had entered into numerous non-cancellable operating leases, the terms, conditions and length of which vary considerably. The minimum future annual rentals under the foregoing leases are as follows -

	Leasehold property £000	Other £000	Total £000
At 31 December 2007			
Operating leases which expire			
- within one year	157	27	184
- between one and five years	76	6	82
- after five years	1,294	-	1,294
	1,527	33	1,560

15. *FINANCIAL COMMITMENTS (continued)*

At 31 December 2006	Leasehold property £000	Other £000	Total £000
Operating leases which expire			
- within one year	72	3	75
- between one and five years	1,267	30	1,297
- after five years	161	-	161
	<u>1,500</u>	<u>33</u>	<u>1,533</u>

16. *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 100 Manpower Place, Milwaukee, Wisconsin 53212, USA The consolidated financial statements 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 Dampfaegevej 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.