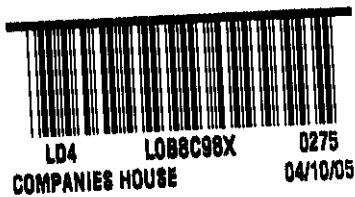


**ELAN COMPUTING LIMITED**

Annual Report  
and  
Financial Statements

**31 December 2004**



*Registered Number: 2114287*

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## **DIRECTORS, OFFICERS AND ADVISERS**

### **Directors**

P Asemota  
S L Costello  
S S Lorde

### **Secretary and Registered Office**

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

### **Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and  
Registered Auditors  
1 Embankment Place  
London  
WC2N 6RH

### **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 2004.

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

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 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 £163,071,000 (2003 - £124,249,000) whilst operating profit for the year was £1,454,000 (2003 - loss £3,136,000).

### ***Results and dividends***

The results of the Company for the year are set out in the profit and loss account on page 7.

The directors do not propose the payment of a final dividend for the year (2003 - £nil).

***Directors and their interests***

S L Costello held office as a director throughout the year.

On 8 March 2004, A Derx resigned as a director of the Company.

On 28 June 2004, S S Lorde was appointed as a director of the Company.

On 5 July 2004, P Anthony resigned as a director of the Company.

On 28 January 2005, S Hill resigned as a director of the Company.

On 29 January 2005, P Asemota was appointed as a director of the Company

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 5.0 days of purchases outstanding in trade creditors (2003 – 5.3 days).

***Charitable donations***

The Company made no charitable donations during the year (2003 - £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.

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.

***Employment policy (continued)***

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.

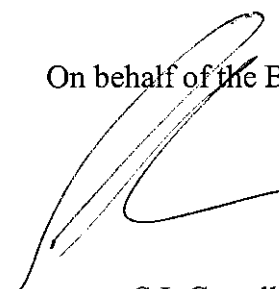
***Auditors***

The ultimate controlling party, Manpower Inc, has taken the decision to replace the current auditors, PricewaterhouseCoopers LLP, with Deloitte & Touche LLP for the 2005 year end audit.

Elan House  
5-11 Fetter Lane  
London  
EC4A 1QX

22/9/2005

On behalf of the Board



S L Costello  
Director

## INDEPENDENT AUDITORS REPORT

### **To the shareholders of Elan Computing Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in the statement of accounting policies.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 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. The other information comprises only the directors' report.

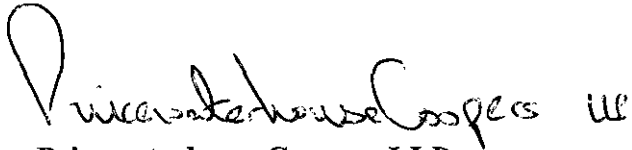
### **Basis of audit opinion**

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors  
London

22 Sep 2005



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Continuing operations	2004 £000	2003 £000
	<b>Turnover</b>	163,071	124,249
	Cost of sales	(144,580)	(109,508)
	<b>Gross profit</b>	18,491	14,741
	Other operating expenses	(17,037)	(17,877)
<i>Note 1</i>	Exceptional item	(140)	-
	<b>Operating profit/(loss)</b>	1,314	(3,136)
<i>Note 2</i>	Interest receivable and similar income	23	422
<i>Note 3</i>	Interest payable and similar charges	(77)	(869)
<i>Note 4</i>	<b>Profit/(loss) on ordinary activities before taxation</b>	1,260	(3,583)
<i>Note 5</i>	Taxation credit	250	270
	<b>Profit/(loss) on ordinary activities after taxation transferred to / (from) reserves</b>	1,510	(3,313)
<b>Statement of total recognised gains and losses</b>			
	Profit/(loss) for the financial year	1,510	(3,313)
	Gain on foreign currency translation	-	3
	<b>Total recognised gains and losses since last annual report</b>	1,510	(3,310)

All turnover and operating expenses derive from continuing operations

A statement of movements on reserves is given in note 13.

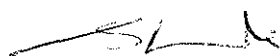
The accompanying notes are an integral part of this profit and loss account.

# **BALANCE SHEET** **AT 31 DECEMBER 2004**

		2004 £000	2003 £000
	<b>Fixed assets</b>		
<i>Note 6</i>	Intangible	159	353
<i>Note 7</i>	Tangible	858	1,334
<i>Note 8</i>	Investments	778	778
		<u>1,795</u>	<u>2,465</u>
	<b>Current assets</b>		
<i>Note 9</i>	Debtors	38,010	33,572
	Cash at bank and in hand	2,043	5,226
		<u>40,053</u>	<u>38,798</u>
<i>Note 10</i>	<b>Creditors</b> – amounts falling due within one year	<u>(19,807)</u>	<u>(20,298)</u>
	<b>Net current assets</b>	<u>20,246</u>	<u>18,500</u>
	<b>Total assets less current liabilities</b>	22,041	20,965
<i>Note 11</i>	<b>Provisions for liabilities and charges</b>	<u>(443)</u>	<u>(877)</u>
	<b>Net assets</b>	<u>21,598</u>	<u>20,088</u>
	<b>Capital and reserves</b>		
<i>Note 12</i>	Called up equity share capital	111	111
<i>Note 13</i>	Share premium account	1,728	1,728
<i>Note 13</i>	Capital contribution	16,160	16,160
<i>Note 13</i>	Profit and loss account	3,599	2,089
	<b>Equity shareholders' funds</b>	<u>21,598</u>	<u>20,088</u>

Signed on behalf of the board on 22/9/ 2005

S S Lorde



Director

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 the Companies Act 1985 and 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 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).

### *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.

The Dutch branch of Elan Computing Limited is included in the accounts. The balance sheet is translated at the year-end rate and the profit and loss account is translated at the average rate for the year.

### *Turnover*

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of services supplied.

The company derives its turnover from the supply of temporary workers on a time and materials basis and from fees for permanent placement and other recruitment related activities. Temporary turnover is recognised as services are rendered as validated by receipt of a client-approved timesheet or equivalent. Temporary services rendered but not invoiced are recognised as work in progress/accrued revenue, net of an appropriate provision for non-recoverability. Permanent placement fees are recognised on invoicing.

***Geographical turnover analysis***

Turnover was split between the following geographical locations:

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
UK	158,643	121,326
Europe	<u>4,428</u>	<u>2,923</u>
	<u>163,071</u>	<u>124,249</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
Furniture and equipment	-	10% - 33.33% per annum straight line
Computer Equipment	-	over 3 Years

***Goodwill***

Goodwill represents the difference between the cost of acquisition and the fair value of the net assets acquired and is written off over ten 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 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.

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

### ***Taxation***

Corporation tax payable is provided on taxable profits at the current rate.

### ***Deferred taxation***

Deferred tax 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.

### ***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 (see note 15).

## NOTES TO THE ACCOUNTS

### 1. EXCEPTIONAL ITEMS

	2004 £000	2003 £000
Goodwill written off	140	-

### 2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004 £000	2003 £000
Interest receivable	23	96
Intercompany interest receivable	-	326
	23	422

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £000	2003 £000
On other loans	29	70
On loans from group undertakings	48	799
	77	869

4. **PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Profit/ (Loss) on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets		
- On owned assets	196	1,166
Goodwill amortisation	54	75
Audit fees	60	50
Property rentals, net	<u>625</u>	<u>1,757</u>

Other remuneration, excluding that for audit services, received by the Company's auditors during 2004 amounted to £nil (2003 - £nil).

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Staff costs (including directors) of the Company were:		
Salaries	7,081	6,296
Social security costs	751	686
Other pension costs	<u>177</u>	<u>324</u>
	<u>8,009</u>	<u>7,306</u>

	<b>2004</b>	<b>2003</b>
	<b>Nos</b>	<b>Nos</b>
The average number of persons employed by the Company during the period, including directors, was:		
Branch and administrative staff	<u>207</u>	<u>210</u>

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
The remuneration of the Company's directors was as follows:		
Emoluments	-	384
Company contributions to money purchase pension schemes	<u>-</u>	<u>21</u>
	<u>-</u>	<u>405</u>

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

	2004 £000	2003 £000
The number of directors who were members of pension schemes was as follows:		
	-	3
	2004 £000	2003 £000
The above amounts for remuneration include the following in respect of the highest paid director:		
Emoluments	-	151
Company contributions to money purchase pension schemes	-	9
	-	160

Remuneration costs for the directors in 2004 are borne by the holding company Elan Group Ltd, and are disclosed in that companies Statutory Accounts. In 2003 Directors remuneration costs were borne in Elan Computing Limited.

5. **TAXATION**

	2004 £000	2003 £000
The tax charge comprises:		
UK Corporation tax at 30%	-	-
Adjustments to tax charge in respect of previous periods	(206)	-
Total current tax	(206)	-
Deferred tax		
Origination and reversal of timing differences	40	(270)
Increase in estimate of recoverable deferred tax assets	(84)	-
Total deferred tax	(44)	(270)
Total tax on profit/(loss) on ordinary activities	(250)	(270)



5. *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:

	2004 £000	2003 £000
Profit/(loss) on ordinary activities before tax	<u>1,260</u>	<u>(3,583)</u>
Tax on profit/(loss) on ordinary activities at standard UK tax rate of 30% (2003 – 30%)	378	(1,075)
Effects of:		
Expenses not deductible for tax purposes	92	383
Depreciation in excess of capital allowances and other short term timing differences	11	259
Unrecognised deferred tax asset	-	433
Utilisation of tax losses	(481)	-
Adjustments to tax charge in respect of previous periods	<u>(206)</u>	<u>-</u>
Current tax credit	<u>(206)</u>	<u>-</u>

6. *INTANGIBLE ASSETS***Goodwill**

	2004 £000	2003 £000
<b>Cost</b>		
At 1 January	789	789
Amounts written off	<u>(249)</u>	<u>-</u>
	<u>540</u>	<u>789</u>

**Amortisation**

At 1 January	436	361
Amounts written off	(109)	-
Charge for year	<u>54</u>	<u>75</u>

	<u>381</u>	<u>436</u>
<b>Net book value</b>		
At 31 December	<u>159</u>	<u>353</u>

7. **TANGIBLE FIXED ASSETS**

	<b>Furniture and equipment £000</b>	<b>Computer equipment £000</b>	<b>Leasehold improvements £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 January 2004	1,033	4,625	966	6,624
Reallocations	(865)	-	(78)	(943)
At 31 December 2004	168	4,625	888	5,681
<b>Depreciation</b>				
At 1 January 2004	459	4,623	208	5,290
Charge for the year	54	2	140	196
Reallocations	(455)	-	(208)	(663)
At 31 December 2004	58	4,625	140	4,823
<b>Net book value</b>				
At 31 December 2004	110	-	748	858
At 31 December 2003	574	2	758	1,334

8. **FIXED ASSET INVESTMENTS**

	<b>2004 £000</b>	<b>2003 £000</b>
<b>Cost</b>		
At 1 January and 31 December	778	778

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

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

**9. DEBTORS**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Amounts falling due within one year:		
Trade debtors	32,438	20,686
Amounts owed by other group undertakings	3,794	11,001
Other debtors	168	413
Prepayments and accrued income	996	902
	<u>37,396</u>	<u>33,002</u>
Amounts falling due after more than one year:		
Deferred tax	614	570
	<u>38,010</u>	<u>33,572</u>
Deferred tax comprises:		
Accelerated capital allowances	295	322
Other timing differences	235	248
Tax losses carried forward	84	-
	<u>614</u>	<u>570</u>
Asset at the start of the year	570	300
Credited to profit and loss	44	270
	<u>614</u>	<u>570</u>

**10. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1,966	1,594
Amounts owed to other group undertakings	12,575	12,191
Amounts owed to subsidiary undertakings	-	-
Taxation and social security	1,449	1,638
Other creditors	2,597	2,644
Accruals and deferred income	1,220	2,231
	<u>19,807</u>	<u>20,298</u>

**11. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 January	877	189
Movement during the year	<u>(434)</u>	<u>688</u>
Balance at 31 December	<u>443</u>	<u>877</u>

All provisions held relate to vacant properties and onerous leases

**12. CALLED UP EQUITY SHARE CAPITAL**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
<b>Authorised</b>		
12,500,000 Ordinary shares of 1p each	<u>125</u>	<u>125</u>
<b>Allotted, called up and fully paid</b>		
11,051,030 Ordinary shares of 1p each	<u>111</u>	<u>111</u>

There were no movements in share capital during the year.

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

	<b>Called-up share capital £000</b>	<b>Share premium account £000</b>	<b>Capital Contribution £000</b>	<b>Profit &amp; loss account £000</b>	<b>Total equity Shareholders' Funds £000</b>
At 1 January 2004	111	1,728	16,160	2,089	20,088
Profit for the year	-	-	-	1,510	1,510
At 31 December 2004	<u>111</u>	<u>1,728</u>	<u>16,160</u>	<u>3,599</u>	<u>21,598</u>

**14. FINANCIAL COMMITMENTS**

At 31 December 2004 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: -

<b>At 31 December 2004</b>	<b>Leasehold property £000</b>	<b>Other £000</b>	<b>Total £000</b>
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
	<u>1,560</u>	<u>43</u>	<u>1,603</u>

<b>At 31 December 2003</b>	<b>Leasehold property £000</b>	<b>Other £000</b>	<b>Total £000</b>
Operating leases which expire:			
* within one year	-	108	108
* between one and five years	296	49	345
* after five years	1,278	2	1,280
	<u>1,574</u>	<u>159</u>	<u>1,733</u>

**15. 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.