

**Registered number: 02535913**

**Randstad Middle East Limited  
Annual report and financial statements  
For the year ended 31 December 2017**

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**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

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## **Randstad Middle East Limited**

### **Annual report and financial statements for the year ended 31 December 2017**

#### **Officers and professional advisers**

##### **Directors**

M Büll  
D Bruce

##### **Registered Office**

450 Capability Green  
Luton  
Bedfordshire  
LU1 3LU  
United Kingdom

##### **Bankers**

Barclays Bank plc  
27th Floor  
1 Churchill Place  
London  
E14 5HP

##### **Independent auditor**

Deloitte LLP  
Statutory Auditor  
3 Victoria Square, Victoria Street  
St Albans  
Hertfordshire  
AL1 3TF

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## **Randstad Middle East Limited**

### **Annual report and financial statements for the year ended 31 December 2017**

#### **Strategic Report**

The directors present their strategic report on the company for the year ended 31 December 2017.

##### **Principal activities**

The company's principal activity during the year continued to be that of an employment business supplying permanent staff for clients. In 2018, a decision was taken to close the Dubai branch and the company will cease trading.

##### **Review of the business**

As shown in the company's statement of comprehensive income on page 12, the company's revenue has increased from 2016. This is largely due to the business focussing on increasing the client base and an increase in the volumes of workers required by clients. The company achieved a gross profit of £2,156,000 (2016: £1,792,000) and a loss before taxation of £842,000 (2016: £41,000 loss).

##### **Position of the business**

The company's net assets and shareholder's funds were £8,967,000 at the end of the year (2016: £9,626,000). The retained loss for the financial year was £680,000 (2016: loss of £42,000).

##### **Key performance indicators**

Progress of the business is assessed via the growth in revenue compared to the prior year. Performance is shown below with prior year comparatives expressed as percentages.

	2017	2016
Revenue movement	21.3%	(42.0)%

The directors do not believe any further analysis would aid the users understanding of the performance of the company.

##### **Principal risks and uncertainties**

Technological disruption is threatening to displace the traditional recruitment and staffing business model. New delivery platforms regularly emerge and their presence is felt in the market. The General Data Protection Regulation is a step change in the regulation of how companies manage data and compliance with its requirements is a priority and regulatory action presents a risk to the company. The company has limited exposure as regards Brexit however the lack of certainty regarding migration following an exit from the EU causes concern for candidate availability in all markets.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Strategic report (continued)**

**Going concern**

These financial statements are prepared on a basis other than that of a going concern. This is due to the decision to cease trading in 2018. The company will remain non-trading until further notice.

Approved by the board of directors and signed on its behalf by:



**D Bruce**  
Director  
28 November 2018

## **Randstad Middle East Limited**

### **Annual report and financial statements for the year ended 31 December 2017**

#### **Directors' Report**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2017.

#### **Future developments**

During 2018, the directors decided that the company will cease to trade in September 2018 and the office will be closed.

#### **Dividends**

The directors do not recommend payment of a dividend (2016: £nil).

#### **Financial risk management, objectives and policies**

The Randstad group's corporate treasury function provides services to the company, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk, liquidity risk and cash flow risk. The company does not use financial derivatives.

The company reports quarterly to Randstad NV on all areas of risk. The company's operations expose it to a variety of risks. The company's management has examined all major risks to its business and considers the main risk to be that of the regulatory changes within the recruitment industry and how this could affect future profitability of the company.

#### *Credit risk*

The Company's principal financial assets are trade and other receivables and cash.

The Company's credit risk is attributable to amounts due from group undertakings. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

#### *Price risk*

Competitive price pressure in the UK is a continuing risk for the company. The company manages the risk by providing value added services to and maintaining strong relationships with its customers.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses intercompany finance.

#### *Cash flow risk*

The Company's activities expose it to changes in interest rates on its balances with other group companies. The Company does not hedge against this exposure. The company is not exposed to the financial risks of changes in foreign-currency-exchange-rates; as the outstanding balances are denominated in Pounds Sterling, which is both the functional and presentational currency of the company.

#### *Foreign currency risk*

The company's activities expose it to the financial risks of changes in foreign currency exchange rates, particularly between the UAE Dirham and the GBP. The company does not use foreign exchange forward contracts to hedge these exposures, but as most expenses are also denominated in UAE Dirhams in the year a form of natural hedging exists, limiting gains and losses from exchange movement.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Directors' Report (continued)**

**Going concern**

Information on the going concern status of the company can be found in the Strategic Report on page 5.

**Directors**

The directors of the company who held office during the year and up to the date of signing the financial statements, unless otherwise stated, are given below:

M Bull	
C Bradshaw	(resigned 31 May 2018)
D Bruce	(appointed 2 July 2018)

**Independent auditor**

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor.

**Randstad Middle East Limited**

**Annual report and financial statements for the year ended 31 December 2017**

**Directors' Report (continued)**

**Directors' Responsibilities Statement**

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) including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Approved by the board of directors and signed on its behalf by:



**D Bruce**  
Director  
28 November 2018

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**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Independent auditor's report to the members of Randstad Middle East Limited**

Report on the audit of the financial statements

**Opinion**

In our opinion the financial statements of Randstad Middle East Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 2.2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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## **Randstad Middle East Limited**

### **Annual report and financial statements for the year ended 31 December 2017**

#### **Independent auditor's report to the members of Randstad Middle East Limited (continued)**

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

##### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Randstad Middle East Limited**

**Annual report and financial statements for the year ended 31 December 2017**

**Independent auditor's report to the members of Randstad Middle East Limited  
(continued)**

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**


Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.



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David Halstead (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
St Albans, United Kingdom  
29 November 2018

**Randstad Middle East Limited****Annual report and financial statements for the year ended 31 December 2017****Statement of comprehensive income****For the year ended 31 December 2017**

	<i>Note</i>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>Revenue</b>	<b>4</b>	<b>2,174</b>	<b>1,792</b>
<b>Cost of sales</b>		<b>(18)</b>	<b>-</b>
<b>Gross profit</b>		<b>2,156</b>	<b>1,792</b>
<b>Administrative expenses</b>		<b>(3,184)</b>	<b>(2,042)</b>
<b>Other operating costs</b>		<b>-</b>	<b>12</b>
<b>Operating loss</b>		<b>(1,028)</b>	<b>(238)</b>
<b>Finance cost</b>	<b>8</b>	<b>(6)</b>	<b>(9)</b>
<b>Finance income</b>	<b>8</b>	<b>192</b>	<b>206</b>
<b>Finance income - net</b>	<b>8</b>	<b>186</b>	<b>197</b>
<b>Loss before tax</b>		<b>(842)</b>	<b>(41)</b>
<b>Tax</b>	<b>9</b>	<b>162</b>	<b>(1)</b>
<b>Loss for the year</b>	<b>5</b>	<b>(680)</b>	<b>(42)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(680)</b>	<b>(42)</b>

All results are derived from discontinuing operations.

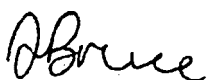
**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Statement of financial position**  
**As at 31 December 2017**

	<i>Note</i>	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>Non current assets</b>			
Intangible assets	10	1	2
Property, plant and equipment	11	19	54
		<b>20</b>	<b>56</b>
<b>Current assets</b>			
Trade and other receivables	13	8,927	9,549
Cash and cash equivalents		549	296
		<b>9,476</b>	<b>9,845</b>
<b>Current liabilities</b>	14	<b>(462)</b>	<b>(200)</b>
<b>Net current assets</b>		<b>9,014</b>	<b>9,645</b>
<b>Total assets less current liabilities</b>		<b>9,034</b>	<b>9,701</b>
Provisions for liabilities	16	(67)	(75)
<b>Net assets</b>		<b>8,967</b>	<b>9,626</b>
<b>Equity</b>			
Share capital	18	48	48
Share-based payments reserve	17	28	7
Retained earnings	18	8,891	9,571
<b>Total shareholder's funds</b>		<b>8,967</b>	<b>9,626</b>

The notes on pages 15 to 34 are an integral part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 28 November 2018 and were signed on its behalf by:



**D Bruce**  
**Director**

Company registered number: 02535913

**Randstad Middle East Limited****Annual report and financial statements for the year ended 31 December 2017****Statement of changes in equity****For the year ended 31 December 2017**

	<i>Note</i>	Share capital £'000	Share-based payments reserve £'000	Retained earnings £'000	Total shareholder's funds £'000
Balance as at 1 January 2016		48	-	9,613	9,661
Loss for the year		-	-	(42)	(42)
<b>Total comprehensive loss for the year</b>		-	-	(42)	(42)
Credit relating to equity-settled share based payments	17	-	7	-	7
Total transactions with owners, recognised directly in equity		-	7	-	7
<b>Balance as at 31 December 2016</b>		48	7	9,571	9,626
Balance as at 1 January 2017		48	7	9,571	9,626
Loss for the year		-	-	(680)	(680)
<b>Total comprehensive loss for the year</b>		-	-	(680)	(680)
Credit relating to equity-settled share based payments	17	-	21	-	21
Total transactions with owners, recognised directly in equity		-	21	-	21
<b>Balance as at 31 December 2017</b>		48	28	8,891	8,967

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements**

**1 General information**

Randstad Middle East Limited (the "Company") is a private company limited by shares and incorporated and registered in the United Kingdom (England and Wales). The company's principal activity was that of an employment business hiring out temporary and permanent staff for clients throughout the year. As explained in note 2.2, the company has subsequently ceased to trade.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**

The financial statements of Randstad Middle East Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified in accordance with the Companies Act 2006, as applicable to companies using FRS101.

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is included by full consolidation in the consolidated financial statements of its ultimate parent, Randstad NV, a company incorporated in the Netherlands.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

~~The reason for the exemption is due to the company being a qualifying entity that is a member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view, and that the company is included in the consolidation. More details on this reporting entity can be found in Note 21.~~

**Randstad Middle East Limited**

**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**2.2 Going concern**

These financial statements have been prepared on a basis other than that of a going concern. This is due to the decision to cease trading and close the branch in the UAE in September 2018. The company will remain non-trading until further notice. No adjustment arose as a result of ceasing to apply the going concern basis.

**2.3 Changes in accounting policy and disclosures**

*New IFRSs that are mandatorily effective for the year ended 31 December 2017*

In the current year, the company did not adopt any new IFRSs or amendments to existing IFRSs.

**2.4 Foreign exchange transactions**

**(a) Functional and presentation currency**

**Functional currency**

The company's functional currency is the Dirham, as that is the currency of the primary economic environment in which the company operates.

**Presentational currency**

The company presents its financial statements in 'Pounds Sterling'.

**(b) Transactions and balances**

Foreign currency transactions are translated into the presentational currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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**Randstad Middle East Limited**

**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**2.5 Property, plant and equipment**

Property, plant and equipment are stated at historical purchase cost less accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost of assets, less their residual values, over their expected useful lives using the straight line basis as follows:

Leasehold improvements and acquisition costs - Shorter of the life of the lease and 5 years

Fixtures and fittings - 4 years

Computer equipment - 4 years

Motor vehicles - 4 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit and loss during the period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised in profit or loss.

## **Randstad Middle East Limited**

### **Annual report and financial statements for the year ended 31 December 2017**

#### **Notes to the financial statements (continued)**

## **2 Summary of significant accounting policies (continued)**

### **2.6 Intangible assets**

#### Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised on a straight line basis over their estimated useful lives, which do not exceed three years.

### **2.7 Non-financial assets**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**2.8 Financial instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss such that it reaches a value of zero at the time when the entire contract can be valued using active market quotes or verifiable objective market information. Depending on the type of financial instrument, the Group can adopt one of the following policies for the amortisation of day 1 gain or loss:

- calibrate unobservable inputs to the transaction price and recognise the deferred gain or loss as the best estimates of those unobservable inputs change based on observable information; or
- release the day 1 gain or loss in a reasonable fashion based on the facts and circumstances (i.e. using either straight-line or non-linear amortisation).

**Financial assets**

~~All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised immediately in profit or loss.~~

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The company did not have any financial assets at FVTPL, or held to maturity or AFS in either the current year, or the preceding year.

## **Randstad Middle East Limited**

### **Annual report and financial statements for the year ended 31 December 2017**

#### **Notes to the financial statements (continued)**

#### **2 Summary of significant accounting policies (continued)**

##### **2.8 Financial Instruments (continued)**

###### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

###### **Loans and receivables**

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

###### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When a trade debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**2.8 Financial Instruments (continued)**

***Reclassification of financial assets***

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

***Derecognition of financial assets***

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

***Financial liabilities and equity***

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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***Equity Instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

***Financial liabilities***

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The company did not have any financial liabilities at FVTPL in either the current year, or the preceding year.

**Randstad Middle East Limited**

**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**2.8 Financial instruments (continued)**

***Other financial liabilities***

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

***Derecognition of financial liabilities***

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**2.9 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. At the reporting date, bank overdrafts are shown within borrowings in current liabilities.

The company, along with other UK members of the Randstad group, is party to a cash pooling arrangement with Barclays Bank, whereby each UK members' sterling bank account is zero balanced each day by transfer to or from the parent company, in order to more efficiently manage the overall UK cash resources through the treasury department of the ultimate parent.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**2.10 Current and deferred tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**2.11 Employee benefits**

Gratuity obligations

The company operates a gratuity provision to reflect the end of service payment provisions as required by the UAE authorities. This provision is calculated by calculating the length of service for each employee for whom gratuity is relevant and providing the appropriate amount at the statement of financial position date as specified by the UAE authorities.

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## **Randstad Middle East Limited**

### **Annual report and financial statements for the year ended 31 December 2017**

#### **Notes to the financial statements (continued)**

#### **2 Summary of significant accounting policies (continued)**

##### **2.12 Share-based payments**

Randstad NV operates a number of equity-settled, share-based compensation plans, under which the company receives services from employees as consideration for equity instruments (options) of Randstad NV. The awards are granted by Randstad NV and the company has no obligation to settle the awards. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. A credit is recognised directly in shareholder's funds. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. When the options are exercised the company is recharged the options' original fair value as of the grant date from Randstad NV. This recharge is accounted for as a deduction from shareholder's funds.

##### **2.13 Provisions**

Provisions for dilapidations, restructuring costs, end of service costs and legal claims are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Reorganisation provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.



**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**2.14 Revenue recognition**

Revenue, which excludes value added tax, is measured at the fair value of the consideration received or receivable and is recognised on receipt of evidence of provision of the service. Revenue which has been earned but not yet invoiced appears as accrued income at the reporting date.

Revenue from temporary placements includes the amounts received or receivable for the services of temporary staff including the salary and salary-related employment costs of those staff. These revenues are generally based on the number of hours worked by the temporary staff.

Revenue from permanent placements includes the fee received or receivable for the services provided; the fee generally being calculated as a percentage of the candidate's remuneration package. These revenues are recognised once the candidate starts the placement.

In situations where the company is the principal in the transaction and has risks and rewards of ownership, the transactions are recorded gross in profit or loss. When the company acts as an agent, such as in cases where the company acts as a managed services provider, revenues are reported on a net basis.

**2.15 Interest income**

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

**3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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The directors consider that there were no critical accounting judgements in applying the company's accounting policies and that there are no key sources of estimation uncertainty.

**Randstad Middle East Limited****Annual report and financial statements for the year ended 31 December 2017****Notes to the financial statements (continued)****4 Revenue**

All of the revenue arises in the Middle East region and is derived from the principal activity of the company.

An analysis of the company's revenue is as follows:

	<i>Note</i>	2017 £'000	2016 £'000
<b>Continuing operations</b>			
Provision of services		2,174	1,792
Finance income	8	192	206
		<b>2,366</b>	<b>1,998</b>

**5 Loss for the year**

Loss for the year is stated after charging/(crediting):

	2017 £'000	2016 £'000
Wages and salaries	1,676	1,480
Share-based payments	21	7
<b>Staff costs</b>	<b>1,697</b>	<b>1,487</b>
Operating lease charges	88	98
Foreign exchange losses/(gains)	326	(329)
Depreciation of tangible fixed assets	30	24
Amortisation of intangible assets	1	-
Intercompany loan waiver		
Fees payable to the company's auditor:		
- Audit of these financial statements	23	22

**6 Employees and directors**

The monthly average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2017 Number	2016 Number
Sales and administration	32	30
<b>Total</b>	<b>32</b>	<b>30</b>

**7 Directors' remuneration**

In the current and prior year the directors received remuneration paid by Randstad UK Holding Limited in respect of their services to group companies. No recharge is made to the company for these costs and none of their remuneration is in respect of their services to the company. There were no directors in the company's defined contribution pension scheme during the year.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**8 Finance income and cost**

	2017 £'000	2016 £'000
<i>Finance income</i>		
Interest receivable on balances with group companies	192	206
<b>Total finance income</b>	<b>192</b>	<b>206</b>
<i>Finance cost</i>		
Interest payable on balances with group companies	(6)	(9)
<b>Total finance cost</b>	<b>(6)</b>	<b>(9)</b>
<b>Net finance income</b>	<b>186</b>	<b>197</b>

**9 Tax**

**Tax (credit)/charge included in profit or loss**

	2017 £'000	2016 £'000
<i>Current tax</i>		
Current tax on income for the year	(162)	(7)
Adjustments in respect of prior years	-	8
<b>Tax (credit)/charge</b>	<b>(162)</b>	<b>1</b>

The total tax credit (2016: charge) for the year is the same as (2016: higher than) the standard effective rate of corporation tax in the UK of 19.25% (2016: 20.00%). The reconciliation of the effective tax rate is stated below.

	2017 £'000	2016 £'000
Loss before tax	(842)	(41)
Tax using the standard UK corporation tax rate of 19.25% (2016: 20.00%)	(162)	(8)
Effects of:		
Expenses not deductible for tax purposes	-	1
Adjustments in respect of prior years	-	8
<b>Tax (credit)/charge</b>	<b>(162)</b>	<b>1</b>

**Factors that may affect future tax charges**

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the statement of financial position date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 17%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

The directors do not consider the effect of the proposed changes to be material.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**  
**Notes to the financial statements (continued)**

**10 Intangible assets**

	<b>Software £'000</b>
<b>Cost</b>	
At 1 January 2017	31
Foreign exchange	(2)
<b>At 31 December 2017</b>	<b>29</b>
<b>Accumulated amortisation and impairment</b>	
At 1 January 2017	29
Charge for the year	1
Foreign exchange	(2)
<b>At 31 December 2017</b>	<b>28</b>
<b>Carrying amount</b>	
<b>At 31 December 2017</b>	<b>1</b>
<b>At 31 December 2016</b>	<b>2</b>

The software is amortised over its estimated useful life, which is an average of three years. Amortisation is recorded in administrative expenses in profit or loss.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**11 Property, plant and equipment**

<b>Cost</b>	<b>Leasehold improvements and acquisition costs £'000</b>	<b>Fixtures &amp; fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
At 1 January 2017	64	46	75	116	301
Disposals	-	-	-	(45)	(45)
Foreign exchange	(5)	(4)	(7)	(12)	(28)
<b>At 31 December 2017</b>	<b>59</b>	<b>42</b>	<b>68</b>	<b>59</b>	<b>228</b>
<b>Accumulated depreciation</b>					
At 1 January 2017	58	46	61	82	247
Charge for the year	6	-	10	14	30
Eliminated on disposals	-	-	-	(45)	(45)
Foreign exchange	(6)	(4)	(6)	(7)	(23)
<b>At 31 December 2017</b>	<b>58</b>	<b>42</b>	<b>65</b>	<b>44</b>	<b>209</b>
<b>Carrying amount</b>					
<b>At 31 December 2017</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>15</b>	<b>19</b>
<b>At 31 December 2016</b>	<b>6</b>	<b>-</b>	<b>14</b>	<b>34</b>	<b>54</b>

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**  
**Notes to the financial statements (continued)**

**12 Investments in subsidiaries**

All investments relate to shares in group undertakings.

The carrying value of investments was £nil in both financial years.

At 31 December 2017 and 2016 the company held the following investments in subsidiary undertakings:

<b>Name of Company</b>	<b>Proportion of issued capital held by the company</b>	<b>Place of incorporation/ operation</b>	<b>Principal Activities</b>	<b>Class of shares held</b>
Beresford Blake Thomas LLC	70%	Oman	Staffing Services	Ordinary

The registered office address of the subsidiary is PO Box 1668, Postal Code 112, Sultanate of Oman.

The company is exempt under Section 400 of the Companies Act from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Randstad NV, a company incorporated in The Netherlands.

**13 Trade and other receivables**

<b>Amounts falling due within one year:</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Trade receivables	574	505
Allowance for doubtful debts	(144)	(55)
Amounts owed by group undertakings	8,161	8,917
Prepayments and accrued income	106	99
Interest receivable	51	49
Other receivables	17	15
Corporation tax receivable	162	19
	<b>8,927</b>	<b>9,549</b>

Included in amounts owed by group undertakings is a cash pooling balance of £8,161,000 (2016: £8,681,000) which bears interest. Interest rates are assessed quarterly and are based on 3 month LIBOR rates. The remaining balance comprises a non-interest bearing amount with a fellow subsidiary of Randstad NV, which is repayable on demand.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**  
**Notes to the financial statements (continued)**

**14 Current liabilities**

	2017 £'000	2016 £'000
Trade creditors	66	1
Amounts owed to group undertakings	6	7
Accruals and deferred income	384	192
Other creditors	6	-
	<b>462</b>	<b>200</b>

Amounts owed to group undertakings comprise amounts due to Randstad NV which are unsecured, bear no interest and are repayable on demand.

**15 Deferred tax assets**

The company has unrecognised deferred tax assets attributable to the following:

	2017 £'000	2016 £'000
Tangible fixed assets	20	21
Share-based payments	5	-
	<b>25</b>	<b>21</b>

The directors consider that there is not sufficient certainty of sufficient taxable profits in the future such as to realise the deferred tax assets above.

**Randstad Middle East Limited****Annual report and financial statements for the year ended 31 December 2017****Notes to the financial statements (continued)****16 Provisions for liabilities**

	Other provisions £'000
Balance at 1 January 2017	75
Provisions used during the year	(56)
Foreign exchange	(7)
Provisions made during the year	55
<b>Balance at 31 December 2017</b>	<b>67</b>

The gratuity provision was created to reflect the end of service payment provisions as required by the UAE authorities. This provision is calculated by calculating the length of service for each employee for whom gratuity is relevant and providing the appropriate amount at the reporting date as specified by the UAE authorities. The outflow of economic benefit takes place when the employee leaves the company.

**17 Share-based payments**

Certain employees of the company along with other group employees have been granted options over the shares in Randstad NV. There are 2 share-based payment arrangements in place: Senior management performance share plan and Share purchase plan for corporate employees.

The company recognises a share-based payment expense based on the fair value of the awards granted, and an equivalent credit directly in equity as a capital contribution. The expense charged to profit or loss in respect of the Senior management performance share plan in the year was £21,000 (2016: £7,000).

On exercise of the shares by the employees, the company is charged the intrinsic value of the shares by Randstad NV. This amount is treated as a reduction of the capital contribution and is recognised directly in equity.

**Senior management performance share plan**

As from 2007, conditional performance shares have been granted annually to a limited group of senior management. The plan has a term of three years. The number of shares to vest depends on Randstad NV's TSR performance compared to a peer group of nine companies measured over a three-year period starting on 1 January of the year of grant. From 2015 onwards, the number of shares to vest also depends on achieving certain sustainability performance targets. During the vesting period, we include for the non-market conditions an estimated bonus adjustment of between 45% and 85% to be expensed during the reporting years. At each reporting date, these non-market conditions will be reassessed; any adjustment is charged/released to the profit or loss.

Out of the 1,109 outstanding options (2016: 600 options), nil options (2016: nil) were exercisable at the end of the year. Options exercised in 2017 resulted in - shares (2016: - shares) being issued at a weighted average exercise price of €57.00 each (2016: €46.70 each), reflecting an award of 150 based on TSR performance of Randstad NV.



**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**

**Notes to the financial statements (continued)**

**17 Share-based payments (continued)**

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant year - Vest year	Options outstanding 1 January 2017	Granted	Options outstanding 31 December 2017	Fair value at grant in € per share option
2016-2019	600	-	600	44.71
2017-2020	-	509	509	54.62
	600	509	1,109	

**Share purchase plan for corporate employees**

Under the share purchase plan, participating corporate employees may purchase shares from a separate foundation, Stichting Randstad Optiefonds, twice a year. The maximum amount to be spent within the plan is set annually at 5% of the participant's fixed annual salary. Employees receive a number of bonus shares equal to a fixed percentage of the number of shares purchased; these bonus shares vest over a period of six months, only if employees hold on to the purchased shares for the same period of six months (on condition that they are still employed by the company). The bonus is expensed by the company over the vesting period (2017: £nil, 2016: £nil). In 2017 a total of nil (2016: nil) bonus shares were allocated to employees.

**Randstad Middle East Limited**  
**Annual report and financial statements for the year ended 31 December 2017**  
**Notes to the financial statements (continued)**

**18 Share capital**

	2017 £'000	2016 £'000
<b>Issued and fully paid</b>		
2,000 (2016: 2,000) ordinary shares of £1 each	2	2
45,578 (2016: 45,578) deferred shares of £1 each	46	46
	<b>48</b>	<b>48</b>

The company has two classes of ordinary shares which carry no right to fixed income.

Retained earnings represent retained profits and losses.

**19 Capital and other commitments**

At 31 December 2017, the company had no capital commitments (2016: £nil) and no other off balance sheet arrangements.

**20 Related party transactions**

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the Randstad NV group.

**21 Controlling parties**

Randstad NV, a company incorporated in the Netherlands is the ultimate parent company and controlling party. Randstad UK Holding Limited, a company registered in England and Wales, is the immediate parent company.

Copies of the ultimate parent company's consolidated financial statements, which are the smallest and largest group in which the company is consolidated, can be obtained from the Company Secretary, Randstad NV, Diemermere 25, 1112 TC Diemen, the Netherlands, its registered address.

Copies of the immediate parent company's financial statements can be obtained from the Company Secretary, Randstad UK Holding Limited. Its registered address is 450 Capability Green, Luton, Bedfordshire, LU1 3LU.

**22 Events after the end of the reporting period**

In March 2018 a decision was taken to cease trading in the UAE. The company will continue to trade until September 2018 when the office will be closed.