

**MANPOWER SOFTWARE
WORLDWIDE LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2003



Company no 3227317

MANPOWER SOFTWARE WORLDWIDE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MAY 2003

Company registration number: 3227317

Registered office: The Communications Building
48 Leicester Square
London
WC2H 7LU

Directors: R M Drummond
M P Scandrett

Secretary: S C Thorne

Bankers: HSBC Bank plc
65 Packhorse Road
Gerrards Cross
Buckinghamshire
SL9 8PH

Solicitors: Maclay, Murray and Spens
10 Foster Lane
London
EC2V 6HR

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

MANPOWER SOFTWARE WORLDWIDE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MAY 2003

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MANPOWER SOFTWARE WORLDWIDE LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 May 2003.

Principal activity

The Company's principal activity is to act as a selling agent for its parent company, Manpower Software plc.

Business review

There was a profit for the year after taxation amounting to £nil (2002: £nil). The directors do not recommend the payment of a dividend.

Director

Mr R M Drummond acted as a director of the Company during the year and subsequently. Mr M P Scandrett was appointed a director on 6 May 2003. Both directors have no interests in the share capital of the Company. Their interests in the share capital of the parent company are disclosed in the directors' report of that Company.

Directors' responsibilities for the financial statements

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



S C Thorne
Company Secretary
15 September 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MANPOWER SOFTWARE WORLDWIDE LIMITED

We have audited the financial statements of Manpower Software Worldwide Limited for the year ended 31 May 2003 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with 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.

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 the directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

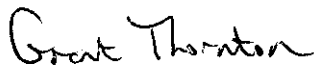
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MANPOWER SOFTWARE WORLDWIDE LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 May 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

**LONDON
15 SEPTEMBER 2003**

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The Company has taken advantage of the exemption provided by FRS1 "Cash Flow Statements" and has not prepared a cash flow statement for the year. The cash flows of the Company are included in the consolidated cash flow statement of its ultimate parent company.

The principal accounting policies of the Company are set out below. The policies have remained unchanged from the previous year.

REVENUE RECOGNITION

The Company licenses software under non-cancellable licence agreements and provides services which include installation, consulting, training and product support. Licence fee revenues are generally recognized when a non-cancellable licence agreement has been signed, there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, the fees are fixed and determinable and collection is considered probable. Where licence fees are attributable to contracts extending over more than one period, revenue is taken based upon the stage of completion when the outcome of the contract can be foreseen with reasonable certainty and after allowing for costs to completion.

Where appropriate, the Company allocates a portion of contracted fees to post-contact activities covered under the contract, which may include installation assistance, training services and first year maintenance.

Revenues for training or consulting services are recognised as the services are performed. Revenues from support agreements are recognised rateably over the support period.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

MANPOWER SOFTWARE WORLDWIDE LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 MAY 2003

	Note	2003 £	2002 £
Turnover	1	1,804,206	1,785,958
Cost of sales		<u>(1,804,206)</u>	<u>(1,785,958)</u>
Gross profit and profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	4	-	-
Profit retained and transferred to reserves		<u>-</u>	<u>-</u>

All transactions arose from continuing activities.

There were no recognised gains or losses other than the result for the financial year.

MANPOWER SOFTWARE WORLDWIDE LIMITED**BALANCE SHEET AT 31 MAY 2003**

	Note	2003 £	2002 £
Current assets			
Debtors	5	657,727	983,165
Creditors: amounts falling due within one year	6	<u>(657,725)</u>	<u>(983,163)</u>
Net current assets		<u>2</u>	<u>2</u>
Total assets less current liabilities		<u>2</u>	<u>2</u>
 Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		<u>-</u>	<u>-</u>
Shareholders' funds		<u>2</u>	<u>2</u>

The financial statements were approved by the Directors on 15 September 2003

R M Drummond - Director



M P Scandrett - Director



MANPOWER SOFTWARE WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MAY 2003

1 TURNOVER

The turnover was derived from the principal activity of the Company. The whole of the turnover is attributable to continuing operations and arises in the United States of America.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by the parent company.

3 DIRECTORS AND EMPLOYEES

The Company employed no staff in the year.

The directors were remunerated by the parent company for their services to the group as a whole.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no taxation due on the result for the year.

5 DEBTORS

	2003 £	2002 £
Trade debtors	359,459	602,738
Other debtors	298,268	380,427
	<u>657,727</u>	<u>983,165</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Amounts owed to group companies	<u>657,725</u>	<u>983,163</u>

MANPOWER SOFTWARE WORLDWIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MAY 2003

7 SHARE CAPITAL

	2003 £	2002 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8 CAPITAL COMMITMENTS

The Company had no capital commitments at 31 May 2003 or 31 May 2002.

9 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 May 2003 or 31 May 2002.

10 GUARANTEES

The Company has entered into a group arrangement with its parent company whereby it guarantees any amounts due by the parent company to the group's bankers HSBC Bank plc.

11 TRANSACTIONS WITH DIRECTORS

The Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" and has not disclosed transactions with group companies.

There are no other related party transactions.

12 ULTIMATE PARENT COMPANY

The Company is a subsidiary of Manpower Software plc which is its ultimate parent company.

Copies of the group financial statements can be obtained from that company's registered office.