

Experis Group Limited (formerly Elan Group Limited)

Report and Financial Statements

31 December 2011

Company Registration No. 3639589

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Experis Group Limited

Report and financial statements 2011

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Report and financial statements 2011

Officers and professional advisers

Directors

P Asemota
S L Costello
S Finley

Secretary and Registered Office

G Nikodem
Experis House
5 Ray Street
London
EC1R 3DR

Bankers

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

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Experis Group Limited

Directors' report

The directors submit their report together with the audited financial statements of the Company for the year ended 31 December 2011

Principal activity

The Company is a wholly-owned subsidiary of Manpower Inc and is the holding company for a number of UK and European-based subsidiaries operating within the employment services sector. A list of the Company's principal subsidiaries is given in note 10 to the financial statements.

The principal activity of the Company is that of an investment and management company.

Business review

During the year the company disposed of its German subsidiary (see note 10 to the financial statements). There were no other significant changes to the Company's principal activities in the year under review.

The Company has decided to reduce the scope of the management activities provided to its related companies in 2012. The Company will cease to provide activities such as marketing, accounting and IT to its subsidiaries as of 1 January 2012 and these activities will become the responsibility of the individual companies as of this date.

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

The directors do not recommend the payment of a final dividend for the year (2010 - £nil).

Principal risks and uncertainties

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund obligations as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk.

Financial risk management

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the only financial risks that the directors consider relevant to the Company are credit and currency risks. These risks are mitigated through a strategic investment and treasury policy. The Company does not hold any financial derivatives instruments at the year end.

Liquidity risk

In order to maintain liquidity, to ensure sufficient funds are available for ongoing operations and future developments, the Company uses third party short-term debt finance available to all Manpower Inc group companies. The interest rate risks are set at market rates by the third party and managed by central treasury functions within Manpower Inc.

Directors and their interests

P Asemota, S L Costello and S Finley held office as directors throughout the year.

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.

Experis Group Limited

Directors' report (continued)

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

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements (see note 1)

Employees

Details of the number of employees and related costs can be found in note 6 to the financial statements on page 12

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on a regular basis on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through informal meetings and Company publications

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

Donations

During the year, the Company made a donation of £22,276 to the Nakatindi Community School (2010 - £12,762 – Community Development Association at Odaysat Qebly-Luxor)

Information to the auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's 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

Approved by the Board of Directors and signed on behalf of the Board


S Finley
Director

27th September 2012

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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Experis Group Limited

We have audited the financial statements of Experis Group Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and international standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- Give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Experis Group Limited

Independent auditor's report to the members of Experis Group Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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



Mary Reilly FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

27th September 2012

Experis Group Limited

Profit and loss account Year ended 31 December 2011

	Notes	2011 £000	2010 £000
Turnover			
Continuing operations	2	10,984	9,884
Operating expenses		(11,331)	(9,306)
Operating profit		(347)	578
Profit on disposal of fixed asset investments		6,974	-
Interest receivable and similar income	3	515	438
Interest payable and similar charges	4	(269)	(202)
Profit on ordinary activities before taxation	5	6,873	814
Tax on profit on ordinary activities	8	549	58
Profit on ordinary activities after taxation and profit for the year	16	7,422	872

The Company has no recognised gains or losses in either year other than the profit for the year as stated above. Accordingly, no separate statement of total recognised gains and losses is presented.

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

Experis Group Limited

Balance sheet 31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Intangible assets	9	29	68
Investments	10	23,300	24,501
Tangible assets	11	-	7
Current assets		23,329	24,576
Debtors	12	38,603	39,399
Cash at bank and in hand		1,180	1,967
Creditors: amounts falling due within one year	13	39,783 (18,140)	41,366 (28,523)
Net current assets		21,643	12,843
Total assets less current liabilities		44,972	37,419
Creditors: amounts falling due after more than one year	14	(18,533)	(18,396)
Net assets		26,439	19,023
Capital and reserves			
Called up share capital	15	113	113
Share premium account	16	2,899	2,899
Capital contribution	16	16,160	16,160
Profit and loss account	16	7,267	(149)
Shareholder's funds	17	26,439	19,023

The financial statements of Experis Group Limited (formerly Elan Group Limited), registered number 3639589, were approved by the Board of Directors and authorised for issue on 27th September 2012

Signed on behalf of the board of Directors

S Finley
Director



Notes to the financial statements Year ended 31 December 2011

1. Accounting policies

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

Basis of accounts preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards

The Company has not prepared consolidated financial statements as it is exempt from doing so under Section 401 Companies Act 2006 and Financial Reporting Standard 2, Accounting for Subsidiary Undertakings, as its ultimate holding company, Manpower Inc, (see note 20) prepares consolidated financial statements which include the results of the Company

Cash flow statement

As permitted by Financial Reporting Standard 1 (Revised 1996) Cash Flow Statements, the Company has not prepared a cash flow statement. The results of the Company are included in the consolidated financial statements of Manpower Inc, which are available to the public (see note 20)

Tangible fixed assets

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

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

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

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

Intangible fixed assets

Software licences are included at cost less any provision for impairment and written off on a straight-line basis over their useful economic life, which is three years

Investments

Investments in subsidiaries are stated at cost, less any provision for impairment

Turnover

Turnover, which excludes value added tax and trade discounts, represents amounts receivable for the provision of head office services to group undertakings

Notes to the financial statements **Year ended 31 December 2011**

1. Accounting policies (continued)

Pensions

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

Taxation

Current taxation, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date when, in the opinion of the directors, there is a reasonable probability of a liability arising in the foreseeable future.

Deferred taxation is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction or at a contracted rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

Related party transactions

Under the provisions of financial Reporting Standard 8, Related Party Disclosures, the Company is not required to disclose details of transactions with other wholly-owned group undertakings as it is a wholly-owned subsidiary and the consolidated accounts in which the Company's results are included are available to the public (see note 20).

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out on page 2. The financial position of the Company is described in the Directors' report.

Manpower Inc, the Company's ultimate parent company, has given written assurance that they will continue to support the Company.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Experis Group Limited

Notes to the financial statements Year ended 31 December 2011

2. Segment information

Turnover was split between the following geographical locations

	2011 £000	2010 £000
UK	4,989	4,146
Europe	5,995	5,738
	<u>10,984</u>	<u>9,884</u>

3. Interest receivable and similar income

	2011 £000	2010 £000
Inter company loans	515	438
	<u>515</u>	<u>438</u>

4. Interest payable and similar charges

	2011 £000	2010 £000
Inter company loans	7	33
Third party interest paid	262	169
	<u>269</u>	<u>202</u>

5. Profit on ordinary activities before taxation

	2011 £000	2010 £000
Profit on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
- on owned assets	7	16
Profit on disposal of fixed asset investments	6,974	-
Fees payable to the Company's auditor for the audit of the Company's accounts	<u>24</u>	<u>24</u>

Other remuneration, excluding that for audit services, received by the Company's auditor during the year amounted to £nil (2010 - £nil)

Experis Group Limited

Notes to the financial statements Year ended 31 December 2011

6. Staff costs

	2011 £000	2010 £000
Staff costs of the Company, including directors, were		
Wages and salaries	3,667	3,739
Social security costs	431	460
Other pension costs	362	156
	<u>4,460</u>	<u>4,355</u>
	No	No
The monthly average number of persons, including directors, employed by the Company during the year was		
Branch and administrative staff	<u>56</u>	<u>54</u>

7. Directors' remuneration

	2011 £000	2010 £000
The remuneration of the Company's directors was as follows		
Emoluments	914	882
Company contributions to money purchase pension schemes	103	58
	<u>1,017</u>	<u>940</u>
	No	No
The number of directors who were members of pension schemes was as follows	<u>3</u>	<u>3</u>
	£000	£000
The above amounts for remuneration include the following in respect of the highest paid director		
Emoluments	416	421
Company contributions to money purchase schemes	39	48
	<u>455</u>	<u>469</u>

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Notes to the financial statements Year ended 31 December 2011

8. Tax on profit on ordinary activities

	2011 £000	2010 £000
Current tax		
UK corporation tax	-	289
Adjustments in respect of previous years	(543)	(341)
Total current tax	(543)	(52)
Deferred tax		
(Increase)/decrease in estimate of recoverable deferred tax assets	(8)	22
Origination and reversal of timing differences	2	(28)
Total deferred tax	(6)	(6)
Total tax credit on profit on ordinary activities	(549)	(58)

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

	2011 £000	2010 £000
Profit on ordinary activities before taxation	6,873	814
Tax on profit on ordinary activities at standard UK tax rate of 26.5% (2010-28%)	1,821	228
Effects of		
Expenses not deductible/(income not chargeable) for tax purposes	(1,834)	26
Depreciation in excess of capital allowances and other short term timing differences	13	35
Adjustment to tax charge in respect of previous years	(543)	(341)
Current tax credit for year	(543)	(52)

There were no unprovided liabilities or unrecognised assets for deferred taxation in either year

The Finance Act 2011, which provides for a reduction in the main rate of UK corporation tax from 26% to 25% effective from 1 April 2012 was substantively enacted on 19 July 2011. This reduced rate has been reflected in the calculation of deferred tax.

The 2012 budget (delivered on 21 March 2012) announced a further reduction of 1% to the UK corporation tax rate, causing the rate to fall to 24% effective from 1 April 2012. The Government has also indicated that it intends to introduce further reductions in the main tax rate, with the rate falling by 1% each year, down to 22% by 1 April 2014. These further reductions to the tax rates have not been substantively enacted at the balance sheet date and are therefore not reflected in these financial statements.

Experis Group Limited

Notes to the financial statements Year ended 31 December 2011

9. Intangible fixed assets

	2011 £000	2010 £000
Cost		
At 1 January	283	283
Disposals	(64)	-
	<u>219</u>	<u>283</u>
At 31 December	219	283
Amortisation		
At 1 January	215	155
Charge for the year	39	60
Amortisation on disposals	(64)	-
	<u>190</u>	<u>215</u>
At 31 December	190	215
Net book value		
At 31 December	<u>29</u>	<u>68</u>

10. Fixed asset investments

	2011 £000	2010 £000
Cost		
At 1 January	26,166	26,166
Disposal	(2,866)	-
	<u>23,300</u>	<u>26,166</u>
At 31 December	23,300	26,166
Provision for impairment		
At 1 January	(1,665)	(1,665)
Eliminated on disposal	1,665	-
	<u>-</u>	<u>(1,665)</u>
At 31 December	-	(1,665)
Net book value		
At 31 December	<u>23,300</u>	<u>24,501</u>

Experis Group Limited

Notes to the financial statements Year ended 31 December 2011

10. Fixed asset investments (continued)

At 31 December 2011, the Company's principal investments in subsidiary undertakings comprised the following companies and whose operations primarily comprised IT recruitment

Name of undertaking	Country of incorporation	Class of shares held	Holding %
Elan Computing Limited	Great Britain	Ordinary	100
Elan IT Resource Computing SL	Spain	Ordinary	100
Elan Recruitment Limited	Ireland	Ordinary	100
Elan Computing A/S	Denmark	Ordinary	100
Elan IT Resource SARL	France	Ordinary	100
Elan Computing (Schweiz) AG	Switzerland	Ordinary	60
Elan IT Resource SP z o o	Poland	Ordinary	99
Elan IT Resource s r o	Czech Republic	Ordinary	90
Elan IT Resource Sarl	Luxembourg	Ordinary	99
Elan IT Resource Austria GmbH	Austria	Ordinary	90

At 31 December 2011, the Company sold its investment in Elan Computing (Deutschland) GmbH for a consideration of £7,465,000

11. Tangible fixed assets

	Computer equipment	
	2011	2010
	£000	£000
Cost		
At 1 January and 31 December	50	50
Depreciation		
At 1 January	43	27
Charge for the year	7	16
At 31 December	50	43
Net book value		
At 31 December	-	7

Experis Group Limited

Notes to the financial statements Year ended 31 December 2011

12. Debtors

	2011 £000	2010 £000
Amounts falling due within one year		
Amounts owed by group undertakings	37,786	38,899
Other debtors	420	229
Prepayments and accrued income	208	88
	<u>38,414</u>	<u>39,216</u>
Amounts falling due after more than one year		
Deferred tax	189	183
	<u>38,603</u>	<u>39,399</u>
Deferred tax comprises		
Accelerated capital allowances	38	39
Other timing differences	151	144
	<u>189</u>	<u>183</u>
The movement in deferred tax comprises		
At 1 January	183	177
Credited/(charged) to profit and loss	6	6
	<u>189</u>	<u>183</u>
At 31 December		

Interest is charged on amounts owed by group undertakings at 3.5%

13. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdrafts	16,067	25,915
Trade creditors	82	348
Other creditors	333	831
Accruals expenses and deferred income	1,658	1,429
	<u>18,140</u>	<u>28,523</u>

Experis Group Limited

Notes to the financial statements Year ended 31 December 2011

14. Creditors: amounts falling due after more than one year

	2011 £000	2010 £000
Amounts owed to other group undertakings	18,533	18,396

Interest is charged on amounts owed by group undertakings at 3.5%. There is no interest charged on amounts included within this balance of £18,318,000

15. Called up share capital

	2011 £000	2010 £000
Authorised:		
12,500,000 Ordinary shares of 1p each	125	125
Called up, allotted and fully paid		
11,326,285 Ordinary shares of 1p each	113	113

16. Reserves

	Share premium £000	Capital contribution £000	Profit & loss account £000	Total £000
At 1 January 2011	2,899	16,160	(149)	18,910
Additions	-	-	7,422	7,422
Distributions	-	-	(6)	(6)
At 31 December 2011	2,899	16,160	7,267	26,326

Distributions comprise amounts paid to Manpower Inc, calculated by reference to the difference between the fair value of stock options at the date of exercise and the estimated fair value attributed to such options under the Black-Scholes option pricing model

17. Reconciliation of movement in shareholder's funds

	2011 £000	2010 £000
Profit for the financial year	7,422	872
Distributions	(6)	-
Net increase in shareholder's funds	7,416	872
Opening shareholder's funds	19,023	18,151

Experis Group Limited

Notes to the financial statements Year ended 31 December 2011

Closing shareholder's funds

26,439

19,023

18. Pensions arrangements

The Company is party to a defined contribution pension scheme within a group pension plan, with the assets of the Scheme held in an independently administered fund. The pension costs of the Company were £362,000 (2010 - £156,000)

19. Post balance sheet events

P Asemota resigned from her post as director on 31 March 2012

20. 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 Manpower PLC, a company registered in England and Wales

The only group in which the results of Experis Group Limited (formerly Elan Group Limited) are consolidated is that headed by Manpower Inc, whose principal place of business is at 100 Manpower Place, Milwaukee, Wisconsin 53212, USA. The consolidated accounts of this group are available to the public and may be obtained from the above address