

# **Experis Limited**

## **Annual Report and Financial Statements**

**For the year ended 31 December 2016**

**Registered number: 02114287**

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# Experis Limited

## Annual report and financial statements for year ended 31 December 2016

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**Annual report and financial statements for year ended 31 December 2016**

**Officers and professional advisers**

**Directors**

M A Cahill  
G Smith  
D P Whitham

**Registered Office**

The Helicon  
One South Place  
London  
England  
EC2M 2RB

**Banker**

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

**Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

## Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### Review of the business

The Company's principal activity is that of professional recruitment specialists. There have not been any significant changes in the Company's principal activity during the year under review and the directors are not aware at the date of this report of any likely major changes in either the nature or level of the Company's activities in the next year.

During 2016 the Company's annual turnover increased by 3.6% from £542,400,000 to £562,139,000 and the contractor base has also increased by 4.2% (2015 – 4.2%). As a result of continuing competitive pressures and a change in the mix of revenue streams there was an decrease in the Company's overall gross margin by 4.9% (2015 – 5.5%). However, as a result of a continuing programme of rigorous control over other operating expenses, the Company maintained its operating profit margin.

As shown in the profit and loss account on page 9, the Company's profit after taxation was £9,153,000 (2015 £8,341,000).

The balance sheet on page 11 of the financial statements shows that the Company's financial position at the year end has, in net assets terms, increased by 17.9% (2015 – 19.5%).

### Key performance indicators

All data used in key performance indicators is derived from the Company's financial statements.

	2016	2015
Gross margin (1)	7.0%	7.4%
Operating profit margin (2)	1.9%	1.9%

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

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

### Principal risks and uncertainties

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

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

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the only financial risk that the directors consider relevant to this Company is credit risk. The risk is mitigated through a robust credit control function.

**Strategic report (continued)**

**Principal risks and uncertainties (continued)**

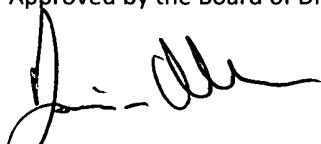
In order to maintain liquidity, to ensure sufficient funds are available for ongoing operations and future developments, the Company uses third party short-term debt finance available to all ManpowerGroup Inc group companies. The interest rate risks are set at market rates by the third party and managed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

**Future developments**

Whilst the market conditions remain volatile, with improvements in the speed and quality of operational delivery, financial efficiencies and liquidity, the directors believe that the Company is well placed to benefit from any improvement in the economy and the increases in the demand for employment services which will arise therefrom.

The directors expect the general level of activity to remain consistent with 2016 in the forthcoming year.

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



**D P Whitham**  
Director

31 August 2017

**The Helicon**  
**One South Place**  
**London**  
**England**  
**EC2M 2RB**

## Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 December 2016.

### Directors and their interests

M A Cahill, G Smith and D P Whitham 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.

### Future developments

Details of future developments can be found in the strategic report on page 3.

### 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.

Information in respect of financial risk management and liquidity risks is set out in the strategic report on pages 2 and 3.

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).

### Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the strategic report on pages 2 and 3 "Principal risks and uncertainties".

### Employees

Details of the number of employees and related costs can be found in note 8 to the financial statements.

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 to that of other employees.

### Employee consultation

The directors recognise the importance of communicating effectively with all levels of employees on matters which affect their current occupations and future prospects. Communications with employees is achieved through regular individual meetings at local level and through information briefing sessions and discussions with wider groups of employees.

Special emphasis is placed on training of staff and a full range of internally organised training courses is provided for this purpose.

The Company offers a range of employee benefits to staff who qualify by reason of seniority and length of service including a pension scheme, death-in-service benefits and private medical insurance.

**Directors' report (continued)**

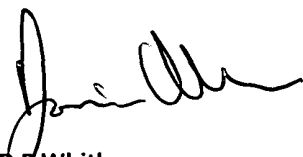
**Information to the auditor**

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 the Companies Act 2006.

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



**D P Whitham**  
Director

31 August 2017

**The Helicon**  
**One South Place**  
**London**  
**England**  
**EC2M 2RB**

### 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). 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 judgements and accounting 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 adequate 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.



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

We have audited the financial statements of Experis Limited for the year ended 31 December 2016 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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.

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

**Opinion on other matter 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 and the Directors' Report.

**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.



**Peter Saunders (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

5 September 2017

## Experis Limited

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### Profit and loss account For the year ended 31 December 2016

	Note	2016 £000	2015 £000
<b>Turnover</b>			
Continuing operations		562,139	542,400
Cost of sales		(522,733)	(502,430)
		<hr/>	<hr/>
<b>Gross profit</b>		39,406	39,970
Other operating expenses	3	(30,927)	(33,012)
Other operating income	4	2,284	3,417
		<hr/>	<hr/>
<b>Operating profit</b>		10,763	10,375
Finance costs (net)	5	61	(43)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	6	10,824	10,332
Tax on profit on ordinary activities	10	(1,671)	(1,991)
		<hr/>	<hr/>
<b>Profit for the financial year attributable to equity shareholder of the Company</b>		<u>9,153</u>	<u>8,341</u>

**Statement of comprehensive income  
For the year ended 31 December 2016**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Profit for the financial year</b>	<u>9,153</u>	<u>8,341</u>
<b>Total comprehensive income attributable to equity shareholder of the Company</b>	<u><u>9,153</u></u>	<u><u>8,341</u></u>

# Experis Limited

## Balance sheet As at 31 December 2016

	Note	2016 £000	2015 £000
<b>Fixed assets</b>			
Intangible fixed assets	11	-	-
Tangible fixed assets	12	1,056	1,173
Investments	13	778	778
		<u>1,834</u>	<u>1,951</u>
<b>Current assets</b>			
Debtors			
- amounts falling due within one year	14	146,556	124,097
- amounts falling due after one year	14	722	889
Cash at bank and in hand		-	-
		<u>147,278</u>	<u>124,986</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(88,592)</u>	<u>(75,660)</u>
<b>Net current assets</b>		<u>58,686</u>	<u>49,326</u>
<b>Total assets less current liabilities</b>		60,520	51,277
<b>Provisions for liabilities</b>	16	<u>(267)</u>	<u>(177)</u>
<b>Net assets</b>		<u>60,253</u>	<u>51,100</u>
<b>Capital and reserves</b>			
Called up share capital	17	111	111
Share premium account	17	1,728	1,728
Capital contribution	17	16,160	16,160
Profit and loss account	17	42,254	33,101
<b>Shareholder's funds</b>		<u>60,253</u>	<u>51,100</u>

The financial statements of Experis Limited, registered number 02114287, were approved by the Board of Directors and authorised for issue on *31 August* 2017. They were signed on its behalf of by:



DP Whitham  
Director

**Statement of changes in equity  
As at 31 December 2016**

	Called up share capital £000	Share premium account £000	Capital contribution £000	Profit and loss account £000	Total £000
<b>At 1 January 2015</b>	111	1,728	16,160	24,760	42,759
Profit for the financial year	-	-	-	8,341	8,341
<b>Total comprehensive income</b>	-	-	-	8,341	8,341
<b>At 31 December 2015</b>	111	1,728	16,160	33,101	51,100
Profit for the financial year	-	-	-	9,153	9,153
<b>Total comprehensive income</b>	-	-	-	9,153	9,153
<b>At 31 December 2016</b>	111	1,728	16,160	42,254	60,253

## Notes to the financial statements For the year ended 31 December 2016

### 1. Accounting policies

The principal accounting policies are summarised below. These have all been applied consistently throughout the year and to the preceding year.

#### General information and basis of accounting

Experis Limited is a company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of Experis Limited's operation and its principal activities are set out in the strategic report on pages 2 and 3.

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Experis Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Experis Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The subsidiary undertaking has not been consolidated by Experis Limited as it is consolidated in the financial statements of ManpowerGroup Inc., which may be obtained at 100 Manpower Place, Milwaukee, Wisconsin 53212, USA. Exemptions have been taken in these separate company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra group transactions and remuneration of key management personnel.

#### Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 and 3. The financial position of the Company is described in the strategic report.

The Company has net assets and is trading profitably. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully, despite the current uncertain economic outlook.

ManpowerGroup Inc., the company's ultimate parent company, has given written assurance that they will continue to support the Company for at least 12 months subsequent to the sign off date of this report.

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 financial statements.

**Notes to the financial statements  
For the year ended 31 December 2016**

**1. Accounting policies (continued)**

**Tangible fixed assets**

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

Depreciation is provided on all tangible fixed assets 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 represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

**Intangible fixed assets**

Goodwill arising from the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

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

**Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**- Investments**

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.



**Notes to the financial statements  
For the year ended 31 December 2016**

**1. Accounting policies (continued)**

**Taxation**

Current tax, comprising UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively 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 where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date.

Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred taxation is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that 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.

**Turnover**

Turnover is derived entirely in the United Kingdom and is stated net of VAT and trade discounts. Turnover is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover arising from temporary placements is recognised over the period that temporary staff is provided. Turnover arising from the placement of permanent candidates is recognised at the time the candidate commences full time employment.

**Leases**

Rentals paid under operating leases are charged on a straight line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term. Further information on charges in the year and future commitments is given in notes 3 and 18 respectively. The terms of all operating leases are continually reviewed and a provision is made for the discounted value of future onerous lease payments where appropriate.

**Employee benefits**

The Company operates a defined benefit scheme for certain permanent employees. The amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet

The Company participates in the Manpower Pension Plan (see note 19). This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group.

It is the policy of the Manpower Pension Plan to fund pension liabilities on the advice of external actuaries, by payments to an independent trust. Independent actuarial valuations on a going concern basis are carried out on the Group defined benefit scheme every three years.

**Notes to the financial statements  
For the year ended 31 December 2016**

**1. Accounting policies (continued)**

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Foreign currencies**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. The resulting monetary assets and liabilities are translated at the rate of exchange prevailing at the balance sheet date.

The results of overseas operations are translated at the average rates of exchange during the year and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translations of the opening net assets, are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

**2. Critical judgements in applying the Company's accounting policies**

The following are critical judgements, apart from those involving estimations (which are dealt with separately below) that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Revenue recognition**

The critical judgement takes place in relation to the cut off of revenue. Revenue is recognised for permanent placements on the day a candidate starts work and temporary placement income is recognised over the duration of the placement. This is described in more detail in the accounting policy in note 1.

**Bad debt provision**

At each balance sheet date, management evaluate the collectability of trade receivable and record a provision based on the anticipated recoverable cash flow and the past due date.

**Key source of estimation uncertainty – impairment of investment in subsidiaries**

Determining whether investments in subsidiaries are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value.

**Notes to the financial statements**  
**For the year ended 31 December 2016**

**3. Other operating expenses**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Administrative expenses	25,625	27,832
Royalty fees	5,402	5,391
Intra group management charge	(100)	(211)
<b>Other operating expenses</b>	<b>30,927</b>	<b>33,012</b>

**4. Other operating income**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Royalty fees	2,284	3,417

**5. Finance costs (net)**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Interest payable and similar charges</b>	(24)	62
Less: investment income	(37)	(19)
	<u>(61)</u>	<u>43</u>
<b>Interest payable and similar charges</b>		
Bank loans and overdrafts	1	1
Loans payable on loans to group undertakings	32	9
	<u>33</u>	<u>10</u>
Net exchange loss	(57)	52
	<u>(24)</u>	<u>62</u>
<b>Investment income</b>		
Interest receivable from group undertakings	37	16
Other interest receivable and similar income	-	3
Interest receivable and similar income	<u>37</u>	<u>19</u>

**Notes to the financial statements  
For the year ended 31 December 2016**

**6. Profit on ordinary activities before taxation**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	265	258
Software amortisation	-	1
Property rentals (net)	772	773
	<u>772</u>	<u>773</u>

**7. Auditor's remuneration**

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £106,600 (2015 - £94,000).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

**8. Staff numbers and costs**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Staff costs of the Company, including directors, were:		
Salaries	16,546	17,728
Social security costs	1,729	1,825
Other pension costs	415	424
	<u>18,690</u>	<u>19,977</u>

The monthly average number of persons employed by the Company during the year, including directors, was:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Branch and administrative staff	<u>394</u>	<u>421</u>

**Notes to the financial statements  
For the year ended 31 December 2016**

**9. Directors' remuneration and transactions**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Directors' remuneration</b>		
Emoluments	318	298
Company contributions to money purchase pension schemes	13	12
	<u>331</u>	<u>310</u>

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
<b>The number of directors who:</b>		
Are members of a money purchase pension scheme	<u>1</u>	<u>1</u>

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Remuneration of the highest paid director:</b>		
Emoluments	318	298
Company contributions to money purchase scheme	13	12
	<u>331</u>	<u>310</u>

Remuneration costs for two of the directors are borne by a fellow group company, Manpower UK Limited. They are therefore disclosed in that Company's financial statements.

**10. Tax on profit on ordinary activities**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
The tax charge comprises:		
<b>Current tax on profit on ordinary activities</b>		
UK corporation tax	2,024	1,972
Over provision in prior years	(520)	(148)
<b>Total current tax</b>	<u>1,504</u>	<u>1,824</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	120	131
Effect of decrease in tax rate on opening asset	26	58
Decrease/(increase) in estimate of recoverable deferred tax assets	21	(22)
<b>Total deferred tax charge</b>	<u>167</u>	<u>167</u>
<b>Total tax on profit on ordinary activities</b>	<u>1,671</u>	<u>1,991</u>

**Notes to the financial statements  
For the year ended 31 December 2016**

**10. Tax on profit on ordinary activities (continued)**

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before taxation	10,824	10,332
Tax on profit on ordinary activities at standard UK tax rate of 20% (2015 – 20.25%)	2,165	2,092
Effects of:		
Expenses not deductible for tax purposes (net)	16	29
Depreciation in excess of capital allowances and other short term timing differences	(49)	(61)
Utilisation of brought forward losses	(108)	(88)
Adjustments to tax charge in respect of previous years	(520)	(148)
Movement on deferred taxation	167	167
<b>Total tax on profit on ordinary activities</b>	<b>1,671</b>	<b>1,991</b>

The Finance (No 2) Act 2015 provides for a reduction in the main rate of UK corporation tax to 19% with effect from 1 April 2017 whilst the Finance Act 2017 provides for a further reduction in the main rate of UK corporation tax to 17% with effect from 1 April 2020. Existing temporary differences on which deferred tax has been provided may therefore unwind in periods subject to these reduced rates and accordingly, the reduced rates have been reflected in the calculation of deferred tax.

The Company has an unrecognised deferred tax asset of approximately £607,000 (2015 - £712,000). The unrecognised deferred tax asset would be recoverable by way of relief against future taxable profits.

There is no expiry date on timing differences, unused tax losses or tax credits.

**11. Intangible fixed assets**

	<b>Goodwill</b>	<b>Computer software</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>			
At 1 January 2016 and 31 December 2016	540	1,835	2,375
<b>Amortisation</b>			
At 1 January 2016	540	1,834	2,374
Charge for the year	-	1	1
At 31 December 2016	540	1,835	2,375

Notes to the financial statements  
For the year ended 31 December 2016

11. Intangible fixed assets (continued)

	Goodwill £000	Computer software £000	Total £000
<b>Net book value</b>			
At 31 December 2016	-	-	-
At 31 December 2015	-	-	-

12. Tangible fixed assets

	Leasehold improvements £000	Furniture and equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>				
At 1 January 2016	2,256	2,065	118	4,439
Additions	-	148	-	148
At 31 December 2016	2,256	2,213	118	4,587
<b>Depreciation</b>				
At 1 January 2016	2,110	1,110	46	3,266
Charge for the year	54	190	21	265
At 31 December 2016	2,164	1,300	67	3,531
<b>Net book value</b>				
At 31 December 2016	92	913	51	1,056
At 31 December 2015	146	955	72	1,173

13. Fixed asset investments

	Subsidiary Undertakings £
Cost at 1 January 2016 and 31 December 2016	778
Net book value at 31 December 2015 and 31 December 2016	778

**Notes to the financial statements  
For the year ended 31 December 2016****13. Fixed asset investments (continued)**

At 31 December 2016, the Company had the following subsidiary undertaking, which was directly held, wholly owned and registered in the United Kingdom. The Company's principal activity was that of IT recruitment:

<b>Subsidiary undertaking</b>	<b>Registered Office</b>
Experis Resource Support Services Limited	The Helicon, One South Place, London EC2M 2RB England

**14. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	81,468	74,725
Unbilled revenue	13,482	11,506
Amounts owed by group undertakings	50,713	37,017
Other debtors	81	71
Prepayments and accrued income	812	778
	<u>146,556</u>	<u>124,097</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax	722	889
	<u>147,278</u>	<u>124,986</u>
The movement on deferred tax comprises:		
At 1 January	889	1,056
Charged to profit and loss account	(167)	(167)
	<u>722</u>	<u>889</u>
At 31 December	<u>722</u>	<u>889</u>
Deferred tax comprises:		
Accelerated capital allowances	328	415
Other timing differences	56	61
Unutilised losses carried forward	338	413
	<u>722</u>	<u>889</u>

Amounts owed by group undertakings are interest free and repayable on demand.



**Notes to the financial statements**  
**For the year ended 31 December 2016**

**15. Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	36,966	31,682
Amounts owed to group undertakings	39,200	32,579
Taxation and social security	3,405	4,093
Corporation tax creditors	3,947	3,538
Bank overdraft	1,462	379
Other creditors	1,812	1,859
Accruals and deferred income	1,800	1,530
	<u>88,592</u>	<u>75,660</u>

Amounts owed to group undertakings are interest free and repayable on demand.

**16. Provision for liabilities**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
At 1 January	177	97
Additions	90	80
	<u>267</u>	<u>177</u>

All of the above provisions relate to dilapidations on UK property. These will be utilised over the next 5 to 10 years, depending on the lease term.

**17. Called up share capital and reserves**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Authorised:</b>		
12,500,000 Ordinary shares of 1p each	<u>125</u>	<u>125</u>
<b>Called up, allotted and fully paid</b>		
11,051,030 Ordinary shares of 1p each	<u>111</u>	<u>111</u>

The Company has one class of ordinary shares which carry no right to fixed income.

**Notes to the financial statements  
For the year ended 31 December 2016**

**17. Called up share capital and reserves (continued)**

The Company's other reserves are as follows:

The share premium reserve contains the premiums arising on the issue of equity shares, net of issue expenses.

The capital contribution reserve represents cash contributions from the parent company, Experis Group Limited.

The profit and loss reserve represents cumulative profit or losses, net of dividends paid and other adjustments.

**18. Financial commitments**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016		2015	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
- within one year	944	15	931	32
- between one and five years	3,649	12	3,874	-
- over five years	747		988	-
	<u>5,340</u>	<u>27</u>	<u>5,793</u>	<u>32</u>

**19. Employee benefits**

The Company is party to a defined contribution pension scheme for all qualifying employees within a group pension plan, with the assets of the scheme held in an independently administered fund. The pension costs of the Company were £415,000 (2015 - £424,000).

The Company participates in a group defined benefit scheme for qualifying employees. Under the scheme, the employees are entitled to retirement benefits based on a percentage of the final salary on attainment of a retirement age of 65.

Manpower UK Limited recognises the whole of the scheme surplus or deficit in its financial statements, as it is the entity which is the participating company bearing all the risks of the scheme. The Company recognises a cost equal to its contribution payable for the period, which in the year ended 31 December 2016 was nil (2015 - £nil).

Further details of the group defined benefit scheme are disclosed in the Manpower UK Limited financial statements.

**Notes to the financial statements  
For the year ended 31 December 2016**

**20. Ultimate controlling party**

The Company's ultimate parent company and controlling party is ManpowerGroup Inc., a company incorporated in the United States of America.

The Company's immediate parent company is Experis Group Limited, a company registered in England and Wales.

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