

Volt Europe Limited

Report and Financial Statements

Period Ended

31 October 2015

Company Number 1739576

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Volt Europe Limited

Report and financial statements for the period ended 31 October 2015

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Company Information

Directors

R Herring
D Ford (appointed 29th July 2015)

Company Secretary and Registered office

Dawn Ford, Betchworth House, 57-65 Station Road, Redhill, Surrey, RH1 1DL

Company number

1739576

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

HSBC, Global House, High Street, Crawley, West Sussex, RH10 1DL

Volt Europe Limited

Strategic report for the period ended 31 October 2015

The directors present their strategic report together with the audited financial statements for the period ended 31 October 2015.

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the period.

Our revenues increased compared to a year ago as the British economy continued to improve during the year. However our gross profit margins were reduced and we incurred increased administrative expenses, resulting in an operating loss for the year and a loss on ordinary activity after taxation.

The directors do not recommend the payment of a dividend (2014 - £Nil).

Review of the business

The profit and loss account shows turnover for the period of £64,237,597 (31 October 2014 - £60,951,699) and loss for the period before taxation of £705,201 (31 October 2014 - profit for the period before taxation of £518,078).

There have been no events since the balance sheet date which materially affect the position of the company.

Principal risks and uncertainties

The Company serves customers with an emphasis on the technology, telecommunication and financial industries. The markets for the Company's staffing services are highly competitive. There are few barriers to entry so new entrants frequently appear resulting in considerable market fragmentation. Some of our competitors are larger and have greater resources than we do, and there are countless smaller companies competing in varying degrees at local levels. Most contracts are not sole source and many of our contracts, even those with multi-year terms, provide no assurance of any minimum amount of revenue. Under many of these contracts we still must compete for each individual placement or project.

A growing economy in which unemployment levels are relatively low may result in increased demand for contingent and permanent personnel, which positively impacts our business. When economic activity grows and unemployment levels are low many of our customers increase their use of contingent workers, resulting in increased demand for contingent workers. Increased demand and higher employment levels result in higher levels of pay rate. Since employees are also willing to risk changing employers, there are more openings available and, therefore, higher activity in permanent placements. We have however experienced competition and pressure on price, margins and mark-ups for renewals of customers' contracts.

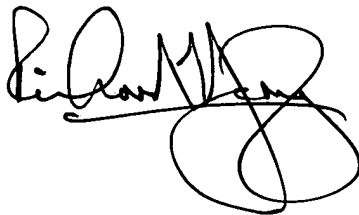
The Company's credit risk primarily arises from its trade debtors. Credit risk is managed by assessing credit worthiness of new customers and where necessary adjusting credit exposure to existing customers based on monitoring payments against contractual terms.

There is an increasing level of regulation affecting many areas of the Company's business. Whilst this brings opportunities to the company, it also increases costs of ensuring compliance.

R. Herring

Director

28 July 2016



Volt Europe Limited

Report of the directors for the period ended 31 October 2015

The directors present their report together with the audited financial statements for the period ended 31 October 2015.

Principal activities and future developments

The Company provides staffing services across a broad spectrum of contingent staffing, master staffing vendor contracting and management, direct placement and other employment services. Our contingent staff are placed on assignment with our customers in a broad range of occupations including accounting, finance, administrative, engineering, human resources, information technology, life sciences, customer care, manufacturing and assembly, warehousing and fulfillment, technical communications and media. Our contingent staffing services are provided for varying periods of time to companies and other organizations (including government agencies), and our clients range from smaller retail accounts that may require ten or fewer contingent workers at a time to national accounts that require as many as several thousand contingent workers at one time. These services are provided primarily in the UK but with some limited business in continental Europe. There have been no changes in the company's activities in the period under review.

Going concern review

Volt Information Sciences Inc., the company's ultimate parent has confirmed that it will not require repayment of intercompany debt for a period of not less than one year from the date of approval of these accounts but only to the extent that financial resources are not otherwise available.

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.

Directors

The directors of the company during the period were:

R Herring
D Ford (appointed 29th July 2015)

The directors did not have any beneficial interest in the share capital of the company.

Directors' responsibilities

The directors are responsible for preparing the Strategic Report and Director's Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial period. 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 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.

Volt Europe Limited

Report of the directors for the period ended 31 October 2015 (*Continued*)

Directors' responsibilities (*continued*)

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.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. The directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

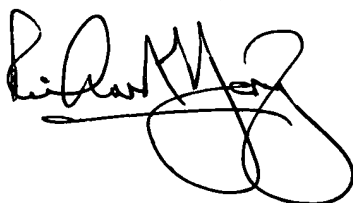
A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the board

R. Herring

Director

28 July 2016

A handwritten signature in black ink, appearing to be 'R. Herring', with a large, stylized circular flourish at the end.

Independent auditor's report

TO THE MEMBERS OF VOLT EUROPE LIMITED

We have audited the financial statements of Volt Europe Limited for the year ended 31 October 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. 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 the directors and auditors

As explained more fully in the statement of Director's Responsibilities on pages 2 and 3, 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 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 Strategic Report and the Director's 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 October 2015 and of its loss for the period 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 Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report (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 explanation we require for our audit.

Ernst & Young LLP

Naresh Alimchandani (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
United Kingdom

29 July 2016

Volt Europe Limited

Profit and loss account for the period ended 31 October 2015

		Period ended 31 October	Period ended 31 October
	Note	2015 £	2014 £
Turnover	2	64,237,597	60,951,699
Cost of sales		(59,475,477)	(55,892,158)
Gross profit		4,762,120	5,059,541
Administrative expenses		(4,980,264)	(4,389,511)
(Loss) / gain on foreign exchange		(274,386)	(37,761)
Operating (loss) / profit	5	(492,530)	632,269
Interest payable and similar charges	6	(236,186)	(236,903)
Interest receivable and similar income	7	23,515	122,712
(Loss) / profit on ordinary activities before taxation		(705,201)	518,078
Taxation on (loss) / profit on ordinary activities	8	96,758	(101,887)
(Loss) / profit on ordinary activities after taxation	13	(608,443)	416,191

All amounts relate to continuing activities.

Statement of total recognised gains and losses

For the period ended 31 October 2015

There are no recognised gains and losses in the current or prior period other than those shown above.

The notes on pages 8 to 16 form part of these financial statements.

Volt Europe Limited

Balance sheet at 31 October 2015

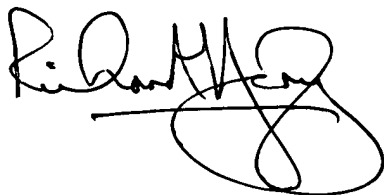
Company number 1739576	Note	31 October 2015 £	31 October 2015 £	31 October 2014 £	31 October 2014 £
Fixed assets					
Tangible assets	9		319,157		289,403
Current assets					
Trade debtors		2,032,097		12,838,713	
Amounts owed by group		19,041,099		15,899,855	
Other debtors	10	2,215,764		1,462,186	
Cash at bank and in hand		5,238,251		210,179	
		<u>28,527,212</u>		<u>30,410,933</u>	
Creditors: amounts falling due within one year					
Trade creditors		(3,218,218)		(3,942,234)	
Amounts owed to group		(21,415,924)		(20,268,234)	
Other creditors	11	(1,133,795)		(2,802,994)	
		<u></u>		<u></u>	
Net current assets			2,759,275		3,397,471
			<u></u>		<u></u>
Net assets			3,078,432		3,686,874
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account			3,078,430		3,686,872
			<u></u>		<u></u>
Shareholders' funds	13		3,078,432		3,686,874
			<u></u>		<u></u>

The financial statements were approved by the Directors and authorised for issue on 29 July 2016

R. Herring

Director

28 July 2016



The notes on pages 8 to 16 form part of these financial statements.

Volt Europe Limited

Notes forming part of the financial statements for the period ended 31 October 2015

1 Accounting policies

Basis of Presentation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable UK accounting standards. The company's fiscal year ends on October 31, although turnover and related expenses are reflected for the period ending on the Sunday nearest October 31. Fiscal 2015 and 2014 consist of 52 weeks. The following principal accounting policies have been applied:

Turnover

Contractor revenue is recognised in the period that services are rendered. Permanent fees are recognised upon confirmation of a start date from the end customer.

Third party debtors are derecognised when the company sells its debtor book to a fellow group company.

Going concern

Volt Information Sciences Inc., the company's ultimate parent has confirmed that it will not require repayment of net intercompany debt for a period of not less than one year from the date of approval of these accounts but only to the extent that financial resources are not otherwise available.

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.

Cash Flow Statement

The company has not prepared a cash flow statement as it has taken advantage of the exemption conferred by Financial Reporting Standard No 1 (Revised) as it is a wholly owned subsidiary undertaking and prepares group financial statements.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

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 or valuation, less estimated residual value, on a straight-line basis over its expected useful life, as follows:

Fixtures and equipment	-	14% straight line 7 years
Computer equipment	-	33% straight line 3 years
Short term leasehold improvements	-	Over the life of the lease

Residual value is calculated on prices prevailing at the date of acquisition. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Volt Europe Limited

Notes forming part of the financial statements for the period ended 31 October 2015 (continued)

1 Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign 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

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 have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating leases

The annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives to enter into operating lease agreements are initially recorded as deferred income and released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2015 (*Continued*)

2 Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

	Period ended 31 October	Period ended 31 October
	2015 £	2014 £
Turnover consists of the following:		
United Kingdom	63,695,578	59,707,383
Overseas	542,019	1,244,316
	<u>64,237,597</u>	<u>60,951,699</u>

In the opinion of the directors, all turnover relates to the principal business activity.

3 Employees

	Period ended 31 October	Period ended 31 October
	2015 £	2014 £
Staff costs consist of:		
Wages and salaries	3,408,730	3,671,930
Social security costs	405,421	502,501
Other pension costs	48,103	38,391
	<u>3,862,254</u>	<u>4,212,822</u>

The average number of employees, including directors, during the period was as follows:

	Number	Number
Administration and selling	<u>108</u>	<u>119</u>

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2015 (Continued)

4 Directors

	Period ended 31 October	Period ended 31 October
	2015 £	2014 £
Remuneration	232,016	242,454
Company contributions to defined contribution pension schemes	3,930	3,930
	<hr/>	<hr/>
Total remuneration	235,946	246,384
Emoluments disclosed above (including benefits in kind) include amounts paid to the highest paid director:		
Remuneration	232,016	242,454
Company contributions to defined contribution pension schemes	3,930	3,930
	<hr/>	<hr/>
Total remuneration	235,946	246,384

5 Operating (loss) / profit

	Period ended 31 October	Period ended 31 October
	2015 £	2014 £
This has been arrived at after charging:		
Depreciation - owned assets	162,790	163,683
Operating lease rentals - other operating leases	288,213	292,635
	<hr/>	<hr/>

The auditors' remuneration for audit services amounts to £65,496 (31 October 2014 - £56,511) and includes audit costs which aggregate to £16,486 (31 October 2014 - £15,735) relating to two fellow subsidiary companies.

6 Interest payable and similar charges

	Period ended 31 October	Period ended 31 October
	2015 £	2014 £
Bank overdraft	10,068	7,746
Related parties	225,950	216,363
Other	168	12,794
	<hr/>	<hr/>
	236,186	236,903
	<hr/>	<hr/>

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2015 *(Continued)*

7 Interest Receivable and similar income

	Period ended 31 October	Period ended 31 October
	2015 £	2014 £
Related parties	23,515	122,712
	<u>23,515</u>	<u>122,712</u>

8 Taxation on (loss) / profit from ordinary activities

	Period ended 31 October	Period ended 31 October
	2015 £	2014 £
<i>Current tax</i>		
UK corporation tax on (loss) / profit of the period	-	67,814
(Over)/under provision in respect of previous year	(67,814)	455
	<u>(67,814)</u>	<u>68,269</u>
<i>Deferred taxation</i>		
Movement in deferred taxation provision	(28,944)	34,477
(Over)/under provision in respect of previous year	-	(859)
	<u>(28,944)</u>	<u>(859)</u>
Total taxation charge for the period	<u>(96,758)</u>	<u>101,887</u>

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2015 (*Continued*)

8 Taxation on (loss) / profit from ordinary activities (continued)

The tax assessed for the period is different to the standard rate of corporation tax in the UK. The differences are explained below:

	Period ended 31 October	Period ended 31 October
	2015 £	2014 £
(Loss) / profit on ordinary activities before tax	(705,201)	518,078
	Period ended 31 October	Period ended 31 October
	2015 £	2014 £
Corporation tax at the average standard rate in the UK of 20.41% (31 October 2014 – 21.83%)	(143,958)	113,083
Effects of:		
Expenses not deductible for tax purposes	6,191	5,492
Losses carried back	63,422	-
Income not taxable for tax purposes	-	(3,078)
Capital allowances for period less than / (in excess) than depreciation	(20,270)	(25,720)
Movements on provisions	667	(11,907)
(Over)/Under provision in respect of previous years	(67,814)	455
Group relief claimed	40,052	(10,056)
Unrelieved tax losses and other deductions arising in the period	53,896	-
Current (benefit) / tax for period	(67,814)	68,269

Factors affecting future tax charges

The main UK corporation tax rate from 1 April 2014 of 21% was reduced to 20% from 1 April 2015, resulting in an effective corporation tax rate of 20.41% for this accounting period.

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2015 (*Continued*)

9 Tangible assets

	Short leasehold £	Fixtures and equipment £	Computer equipment £	Total £
<i>Cost</i>				
At 1 November 2014	77,897	96,245	890,378	1,064,520
Additions	-	-	203,945	203,945
Disposals	-	-	(119,163)	(119,163)
At 31 October 2015	77,897	96,245	975,160	1,149,302
<i>Depreciation</i>				
At 1 November 2014	61,990	51,565	661,562	775,117
Charge for the period	11,228	13,999	137,563	162,790
Disposals	-	-	(107,762)	(107,762)
At 31 October 2015	73,218	65,564	691,363	830,145
<i>Net book value</i>				
At 31 October 2015	4,679	30,681	283,797	319,157
At 1 November 2014	15,907	44,680	228,816	289,403

10 Other Debtors

	31 October 2015 £	31 October 2014 £
<u>Amounts falling due within one year:</u>		
Deferred tax	41,888	12,944
Prepayments	175,325	163,388
Corporation Tax	325,000	57,186
Other taxes	1,640,055	1,199,054
Other debtors	33,496	29,614
	2,215,764	1,462,186

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2015 (*Continued*)

11 Other creditors

	Period ended 31 October 2015 £	Period ended 31 October 2014 £
<u>Amounts falling due within one year:</u>		
Bank overdraft	83,568	1,580,488
Other taxes and social security costs	298,316	375,471
Corporation tax	-	-
Other creditors	185,262	218,806
Accruals	566,649	628,229
	<u>1,133,795</u>	<u>2,802,994</u>

12 Share capital

	31 October 2015	31 October 2014	Authorised 31 October 2015	31 October 2014
	Number	Number	£	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid

	31 October 2015	31 October 2014	31 October 2015	31 October 2014
	Number	Number	£	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

13 Reconciliation of movements in shareholders' funds

	31 October 2015 £	31 October 2014 £
Opening shareholders' funds	3,686,874	3,270,683
(Loss) / profit for the period	(608,443)	416,191
Closing shareholders' funds	<u>3,078,432</u>	<u>3,686,874</u>

Volt Europe Limited

Notes forming part of the financial statements for the period ended 31 October 2015 (Continued)

14 Commitments under operating leases

As at 31 October 2015, the company had annual commitments under non-cancellable operating leases as set out below:

	31 October 2015	31 October 2014
	Land and buildings £	Land and buildings £
Operating leases which expire:		
Within one year	177,566	14,709
In two to five years	5,520	6,608
Over five years	140,496	229,132
	<hr/>	<hr/>
	323,582	250,449
	<hr/>	<hr/>

15 Related party transactions

The company has taken advantage of the exemption available under FRS 8, Paragraph 3(c) from the requirement to disclose transactions with group undertakings on the grounds that group financial statements are prepared by the ultimate parent undertaking Volt Information Sciences Inc.

16 Immediate and ultimate parent company

At 31 October 2015 the immediate parent company was Volt Europe Holdings Limited, a company incorporated in England. The ultimate parent company is Volt Information Sciences Inc., a company incorporated in the United States of America, which is the holding company of the smallest and largest group within which the financial statements of the company are consolidated. Copies of its consolidated financial statements can be obtained from Volt Information Sciences Inc., 1133 Avenue of the Americas, New York, NY 10036, USA