

**Volt Europe
Limited**

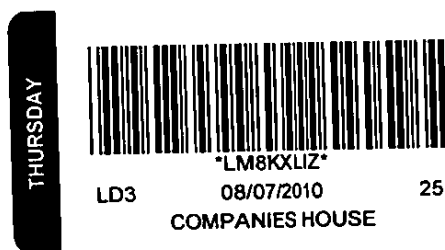
(formerly Gatton Volt Consulting Group Limited)

Report and Financial Statements

Period Ended

1 November 2009

Company Number 1739576



Volt Europe Limited

Report and financial statements for the period ended 1 November 2009

Contents

Page:

1	Report of the directors
4	Independent auditor's report
6	Profit and loss account
7	Balance sheet
8	Notes forming part of the financial statements

Directors

J Shaw
S Shaw
T Daley
H Weinreich
L Guarino
C G Morgan
S Elliott
S Hill

Secretary and registered office

S Hill, Gatton Place, St Mathew's Road, Redhill, Surrey, RH1 1TA

Company number

1739576

Auditors

BDO LLP, 55 Baker Street, London, United Kingdom, W1U 7EU

Volt Europe Limited

Report of the directors for the period ended 1 November 2009

The directors present their report together with the audited financial statements for the period ended 1 November 2009

Results and dividends

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

The directors do not recommend the payment of a dividend (2008 - £Nil)

The company changed its name from Gatton Volt Consulting Group Limited to Volt Europe Limited on 24 June 2010

Principal activities and future developments

The company is engaged in the provision of contractor resourcing services and permanent recruitment 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.

Review of the business

The profit and loss account shows turnover for the year of £38,352,275 (2 November 2008 - £40,129,409) and loss for the year before taxation of £445,827 (2 November 2008 - profit of £25,905)

Turnover has decreased by 4.43% due primarily to the market downturn

Profits before taxation decreased by £471,732 mainly driven by the market downturn coupled with initial investment in a new London office

The directors do not anticipate significant short term improvements in this position due to continuing difficult trading conditions but have made reductions in the cost base which will benefit 2010

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

Principal risks and uncertainties

The company operates in a fragmented market with low, although increasing, costs of entry. Although the company is not dependent on any one client, in many cases relationships have been built up over a number of years and these are at risk of downward pressure on margins, or loss of the business, due to the competitive nature of the market. Whilst continuing to service these clients, the company is also growing its new business in order to diversify its client base and improve margins.

Demand for the company's services is linked to the overall economic situation and employment levels. Although the company has begun to diversify away from its previous dependence on the IT market, the general slowdown in the UK economy may impede future growth.

There is an increasing level of regulation affecting many areas of the company's business. Whilst acknowledging that this also brings opportunities to the company, it increases costs as the company develops its processes and support services to ensure compliance with all applicable regulations.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

The company has the ongoing support of its parent company and the directors do not expect this position to change.

Volt Europe Limited

Report of the directors for the period ended 1 November 2009 (Continued)

Directors

The directors of the company during the period were

J Shaw
S Shaw
T Daley
H Weinreich
L Guarino
C G Morgan
S Elliott
S Hill

None of the directors had any beneficial interest in the share capital of the company

Directors' responsibilities

The directors are responsible for preparing the directors' 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, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Volt Europe Limited

Report of the directors for the period ended 1 November 2009 (*Continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



S Hill

Director

Date **2.7.10**

Volt Europe Limited

Independent auditor's report

TO THE MEMBERS OF VOLT EUROPE LIMITED

We have audited the financial statements of Volt Europe Limited for the period ended 1 November 2009 which comprise the profit and loss account, the balance sheet and the related notes. 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB'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.

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 1 November 2009 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Volt Europe Limited

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



John Le Poidevin, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date 2nd July 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Volt Europe Limited

Profit and loss account for the period ended 1 November 2009

	Note	Period ended 1 November 2009 £	Period ended 2 November 2008 £
Turnover	2	38,352,275	40,129,409
Cost of sales		34,533,080	35,863,165
Gross profit		3,819,195	4,266,244
Administrative expenses		4,169,015	3,935,106
Operating (loss)/profit	5	(349,820)	331,138
Interest payable and similar charges	6	(96,007)	(305,233)
(Loss)/profit on ordinary activities before taxation		(445,827)	25,905
Taxation on (loss)/profit on ordinary activities	7	(73,455)	-
(Loss)/profit on ordinary activities after taxation	12	(519,282)	25,905

There are no recognised gains and losses in the current or prior year other than those shown above
All amounts relate to continuing activities

The notes on pages 8 to 13 form part of these financial statements

Volt Europe Limited

Balance sheet at 1 November 2009

Company number 1739576	Note	1 November 2009 £	1 November 2009 £	2 November 2008 £	2 November 2008 £
Fixed assets					
Tangible assets	8		319,106		193,562
Current assets					
Debtors	9	38,257,032		16,926,487	
Creditors' amounts falling due within one year	10	37,446,085		15,470,714	
Net current assets			810,947		1,455,773
Total assets less current liabilities			1,130,053		1,649,335
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account			1,130,051		1,649,333
Shareholders' funds	12		1,130,053		1,649,335

The financial statements were approved by the Board of Directors and authorised for issue on **2.7.10**

S. Hill

S Hill
Director

The notes on pages 8 to 13 form part of these financial statements

Volt Europe Limited

Notes forming part of the financial statements for the period ended 1 November 2009

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The period to 1 November 2009 represents 52 weeks (2 November 2008 - 53 weeks). The following principal accounting policies have been applied:

Turnover

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

Depreciation

Depreciation is provided to write off the cost or valuation of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Fixtures and equipment	-	14% straight line 7 years
Computer equipment	-	33% straight line 3 years
Short leasehold	-	8% straight line 12 years

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

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.

2 Turnover

	Period ended 1 November 2009 £	Period ended 2 November 2008 £
An analysis of turnover is as follows:		
United Kingdom	37,315,525	37,995,964
Overseas	1,036,750	2,133,445
	<hr/>	<hr/>
	38,352,275	40,129,409
	<hr/>	<hr/>

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

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 1 November 2009 (*Continued*)

3 Employees

	Period ended 1 November 2009 £	Period ended 2 November 2008 £
Staff costs consist of		
Wages and salaries	3,299,063	4,265,888
Social security costs	377,094	423,473
Other pension costs	27,255	30,216
	<u>3,703,412</u>	<u>4,719,577</u>
The average number of employees, including directors, during the period was as follows		
	Number	Number
Administration and selling	113	143
	<u>113</u>	<u>143</u>

4 Directors

	Period ended 1 November 2009 £	Period ended 2 November 2008 £
Directors' emoluments	394,044	371,818
Emoluments disclosed above (including benefits in kind) include amounts paid to		
The highest paid director	264,591	248,911
	<u>264,591</u>	<u>248,911</u>

5 Operating profit

	Period ended 1 November 2009 £	Period ended 2 November 2008 £
This has been arrived at after charging/(crediting)		
Depreciation - owned assets	138,118	123,600
Operating lease rentals - other operating leases	156,486	156,486
Loss/(profit) on disposal of fixed assets	2,385	(3,823)
	<u>296,989</u>	<u>276,263</u>

Auditors' remuneration for audit services of £ 13,000 (2 November 2008 - £17,000) has been borne by the ultimate holding company, Volt Information Sciences Inc

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 1 November 2009 (*Continued*)

6 Interest payable and similar charges

	Period ended 1 November 2009 £	Period ended 2 November 2008 £
Bank overdraft	61,409	223,015
Other	34,598	82,218
	<u>96,007</u>	<u>305,233</u>

7 Taxation on profit on ordinary activities

	Period ended 1 November 2009 £	Period ended 2 November 2008 £
Current tax	-	-
Deferred Tax	73,455	-
	<u>73,455</u>	<u>-</u>
Taxation charge on loss on ordinary activities		
	<u>73,455</u>	<u>-</u>

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 1 November 2009 £	Period ended 2 November 2008 £
(Loss)/profit on ordinary activities before tax	(445,827)	25,905
Corporation tax at the standard rate in the UK of 28 % (2 November 2008 – 29%)	(124,832)	7,512
Effects of		
Expenses not deductible for tax purposes	67,199	19,011
Capital allowances for period (in excess)/less than depreciation	(78,469)	(23,692)
Relief for losses (brought forward)/surrendered as Group Relief	-	(2,831)
Losses carried forward	136,102	-
	<u>-</u>	<u>-</u>
Current tax for period		
	<u>-</u>	<u>-</u>

The tax value of unrecognised deferred tax in relation to losses and capital allowances is £239,895 (2008 - £101,080)

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 1 November 2009 (*Continued*)

8 Tangible assets

	Short leasehold £	Fixtures and equipment £	Computer equipment £	Total £
<i>Cost</i>				
At 3 November 2008	108,975	78,927	934,119	1,122,021
Additions	88,897	13,475	163,675	266,047
Disposals	-	-	(523,210)	(523,210)
At 1 November 2009	<u>197,872</u>	<u>92,402</u>	<u>574,584</u>	<u>864,858</u>
<i>Depreciation</i>				
At 3 November 2008	76,592	77,081	774,786	928,459
Charge for the period	35,322	2,871	99,925	138,118
Disposals	-	-	(520,825)	(520,825)
At 1 November 2009	<u>111,914</u>	<u>79,952</u>	<u>353,886</u>	<u>545,752</u>
<i>Net book value</i>				
At 1 November 2009	<u>85,958</u>	<u>12,450</u>	<u>220,698</u>	<u>319,106</u>
At 2 November 2008	<u>32,383</u>	<u>1,846</u>	<u>159,333</u>	<u>193,562</u>

9 Debtors

	1 November 2009 £	2 November 2008 £
Trade debtors	4,242,309	6,419,552
Amounts owed by group undertakings	33,714,866	10,185,062
Deferred tax	42,504	115,959
Prepayments and accrued income	240,051	183,779
Other debtors	17,302	22,135
	<u>38,257,032</u>	<u>16,926,487</u>

All amounts shown under debtors fall due for payment within one year, with the exception of deferred tax. The deferred tax asset is expected to reverse within the foreseeable future.

Volt Europe Limited

Notes forming part of the financial statements
for the period ended 1 November 2009 (*Continued*)

10 Creditors: amounts falling due within one year

	1 November 2009 £	2 November 2008 £
Bank overdraft	2,160,023	4,387,968
Trade creditors	3,717,001	3,083,692
Amounts owed to group undertakings	30,389,542	6,252,284
Other taxes and social security costs	466,892	1,167,180
Other creditors	362,079	59,114
Accruals and deferred income	350,548	520,476
	<u>37,446,085</u>	<u>15,470,714</u>

11 Share capital

	1 November 2009 Number	2 November 2008 Number	1 November 2009 £	2 November 2008 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid			
	1 November 2009 Number	2 November 2008 Number	1 November 2009 £	2 November 2008 £
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12 Reconciliation of movements in shareholders' funds

	Period ended 1 November 2009 £	Period ended 2 November 2008 £
(Loss)/profit for the period	(519,282)	25,905
Opening shareholders' funds	1,649,335	1,623,430
	<u>1,130,053</u>	<u>1,649,335</u>
Closing shareholders' funds		

Volt Europe Limited

Notes forming part of the financial statements for the period ended 1 November 2009 (*Continued*)

13 Commitments under operating leases

As at 1 November 2009, the company had annual commitments under non-cancellable operating leases as set out below

	1 November 2009 £ Land and buildings £	2 November 2008 £ Land and buildings £
Operating leases which expire		
Within one year	-	-
In two to five years	-	-
Over five years	156,486	156,486
	<hr/>	<hr/>
	156,486	156,486
	<hr/>	<hr/>

14 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning transactions with companies within the Volt Information Sciences Inc group on the basis that consolidated accounts are publicly available

15 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 consolidated accounts are publicly available

17 Immediate and ultimate parent company

At 1 November 2009 the immediate holding company was Volt Europe Holdings Limited, a company incorporated in England. The ultimate holding 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