

VMC Consulting Europe Limited

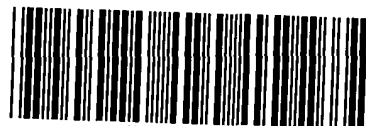
Report and Financial Statements

Fiscal Period Ended

31 October 2014

Company Number 04310705

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VMC Consulting Europe Limited

Report and financial statements for the period ended 31 October 2014

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Company Information

Directors

L. Naujokas
M. Pienaar
S. Rogozinski (resigned 19th March 2015)

Company Secretary and Registered office

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

Company number

04310705

Auditors

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

Bankers

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

VMC Consulting Europe Limited

Strategic report for the period ended 31 October 2014

The directors present their strategic report together with the audited financial statements for the period ended 31 October 2014.

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 (31 October 2013 - £nil).

The Company is engaged in the provision of software testing services in the UK and demand is linked to underlying product lifecycles. Turnover remains flat, an increase in GP and no one time administration expense charge have resulted in a lower loss before tax, compared to a higher loss in the previous year.

Review of the business

The profit and loss account is set out on page 6 and shows turnover for the period of £1,749,739 (31 October 2013 - £1,752,813). In 2014 the loss before tax for the period is £195,462 compared to a loss of £533,678 for the period ended 31 October 2013.

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

Principal risks and uncertainties

The company has a limited customer base and demand is linked to underlying product lifecycles. The company seeks to manage this risk by using flexible labour solutions wherever possible in the testing process.



L Naujokas

Director 27th August 2015

VMC Consulting Europe Limited

Report of the directors for the period ended 31 October 2014

The directors present their report together with the audited financial statements for the period ended 31 October 2014.

Principal activities and future developments

The company is engaged in the provision of software testing services in the UK. There have been no changes in the company's activities in the period under review.

Going concern review

Volt Information Sciences, Inc., being the ultimate parent of VMC Consulting Europe Limited undertakes to continue to provide financial support as the Company may require to meet its liabilities 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:

L Guarino (resigned 7th November 2013)
L. Naujokas
M. Pienaar
S. Rogozinski (resigned 19th March 2015)

Directors' responsibilities

The directors are responsible for preparing the strategic report, 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 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

VMC Consulting Europe Limited

Report of the directors (*Continued*) for the period ended 31 October 2014

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.

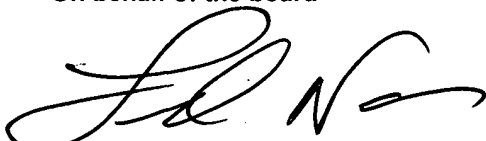
Disclosure of information to the auditors

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. Having made enquiries of fellow directors, each director has taken all the steps that he is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

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

On behalf of the board



L. Naujokas

Director 27th August 2015

Independent auditor's report

TO THE MEMBERS OF VMC CONSULTING EUROPE LIMITED

We have audited the financial statements of VMC Consulting Europe Limited for the period ended 31 October 2014 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 13. 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 set out 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 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 (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. In addition, we read all the financial and non-financial information in the Report and Financial Statements 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 2014 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

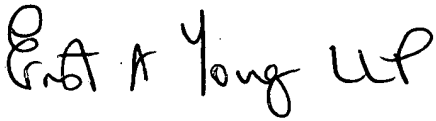
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Philippa Jane Green (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
26 August 2015

VMC Consulting Europe Limited

Profit and loss account for the period ended 31 October 2014

	Notes	Period ended 31 October 2014 £	Period ended 31 October 2013 £
Turnover	2	1,749,739	1,752,813
Cost of sales		(1,170,493)	(1,253,233)
Gross profit		579,246	499,580
Administrative expenses		(774,708)	(1,033,258)
Operating (Loss)	4	(195,462)	(533,678)
(Loss) on ordinary activities before taxation		(195,462)	(533,678)
Taxation benefit on ordinary activities	5	-	26,188
(Loss) on ordinary activities after taxation	11	(195,462)	(507,490)

All amounts relate to continuing activities.

Statement of total recognised gains and losses for the period ended 31 October 2014

There are no recognised gains and losses other than those shown above.

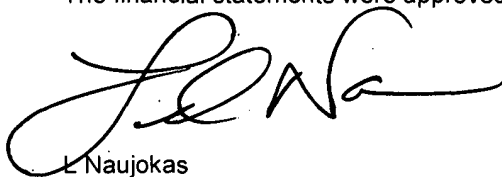
The notes on pages 8 to 13 form part of these financial statements.

VMC Consulting Europe Limited

Balance sheet at 31 October 2014

Company number 04310705	Notes	31 October 2014 £	31 October 2014 £	31 October 2013 £	31 October 2013 £
Fixed assets					
Tangible assets	6		33,283		42,190
Current assets					
Trade Debtors		417,174		342,690	
Amounts owed by group undertakings		2,208,448		2,036,859	
Other debtors		248,646		173,735	
Cash at bank and in hand		300		-	
		<u>2,874,568</u>		<u>2,553,284</u>	
Creditors: amounts falling due within one year					
Trade creditors		(168,547)		(170,779)	
Amounts owed to group undertakings		(2,911,415)		(2,217,955)	
Other creditors	7	<u>(671,404)</u>		<u>(854,793)</u>	
Net current liabilities			<u>(876,798)</u>		<u>(690,243)</u>
Net liabilities			<u>(843,515)</u>		<u>(648,053)</u>
Capital and reserves					
Called up share capital	8		1,000		1,000
Profit and loss account			<u>(844,515)</u>		<u>(649,053)</u>
Shareholder's deficit	9		<u>(843,515)</u>		<u>(648,053)</u>

The financial statements were approved by the Board of Directors and authorised for issue in August 2015.



L. Naujokas

Director 27th August 2015

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

VMC Consulting Europe Limited

Notes forming part of the financial statements for the period ended 31 October 2014

1 Accounting policies

Basis of Preparation and Business

The company is engaged in the provision of software testing services in the UK. 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 2014 and 2013 consists of 52 weeks and 53 weeks respectively. The following principal accounting policies have been applied:

Going concern

Volt Information Sciences, Inc., being the ultimate parent of VMC Consulting Europe Limited undertakes to continue to provide financial support as the Company may require to meet its liabilities 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.

Turnover

Revenue is recognised in the period in which services are rendered.

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.

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:

Leasehold improvements	-	Over the life of the lease
Fixtures and equipment	-	14% straight line
Computer equipment	-	33% straight line
Minor IT equipment	-	66% straight line

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.

Dilapidations Provision

Dilapidations are based on a professional assessment and time apportioned over the life of the lease.

VMC Consulting Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2014 (*Continued*)

Accounting policies (*continued*)

2 Turnover

	Period ended 31 October 2014	Period ended 31 October 2013
Turnover is derived as follows:	£	£
United Kingdom	1,749,739	1,752,813

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

3 Employees

	Period ended 31 October 2014	Period ended 31 October 2013
Staff costs consist of:	£	£
Wages and salaries	55,829	59,814
Social security costs	5,865	6,375
	61,694	66,189

Emoluments for the directors of the Company are paid for by a fellow subsidiary and parent undertaking of the Company. The relevant undertakings have not recharged any amount to the Company (2013: nil) on the basis that the amount attributable to the Company is negligible.

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

	Number	Number
Administration and selling	12	13

4 Operating (loss)

	Period ended 31 October 2014	Period ended 31 October 2013
This has been arrived at after charging:	£	£
Depreciation	10,737	13,673
Hire of other assets – operating leases	224,761	222,205
Dilapidations provision	91,536	370,180
Gain on disposal of assets	0	5,688

The auditor's remuneration for audit services amounts to £ 20,383 (31 October 2013 - £19,412).

VMC Consulting Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2014 (*Continued*)

5 Taxation on (loss) on ordinary activities

	Period ended 31 October 2014 £	Period ended 31 October 2013 £
<i>Current tax</i>		
UK corporation tax charge/(benefit) on loss for the period	-	(26,188)

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

	Period ended 31 October 2014 £	Period ended 31 October 2013 £
Profit/(Loss) on ordinary activities before tax	(195,462)	(533,678)
Corporation tax at the average small profits rate in the UK of 21.83% (31 October 2013 – 23.41%)	(42,664)	(124,934)
Effects of:		
Expenses not deductible for tax purposes	5,883	22,689
Capital allowances for period (in excess)/less than depreciation	(7,405)	(15,795)
Movements in provisions	-	-
Group relief surrendered	44,186	118,040
Losses brought forward utilized	-	-
Group relief surrendered 2010 and 2011	-	(26,188)
Current tax benefit for period	-	(26,188)

Deferred tax has not been recognised on losses carried forward of £386,996 and capital allowances in arrears of depreciation of £166,600.

Factors affecting future tax charges

The main UK corporation tax rate from 1 April 2013 of 23% was reduced to 21% from 1 April 2014, resulting in an effective corporation tax rate of 21.83% for this accounting period. A number of changes to the UK corporation tax system were announced in the March 2013 Budget Statement. The Finance Act 2013 which was substantially enacted on 2 July 2013 includes legislation further reducing the main rate of corporation tax to 20% from 1 April 2015.

VMC Consulting Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2014 (*Continued*)

6 Tangible assets

	Leasehold improvements £	Fixtures and equipment £	Computer equipment £	Total £
<i>Cost</i>				
At 31 October 2013	249,100	128,943	16,400	394,443
Additions	-	1,830	-	1,830
Disposals	-	-	-	-
Reclassification	-	-	-	-
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At 31 October 2014	249,100	130,773	16,400	396,273
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<i>Depreciation</i>				
At 31 October 2013	240,604	104,877	6,772	352,253
Provided for the period	2,094	4,186	4,457	10,737
Disposals	-	-	-	-
Reclassification	-	-	-	-
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At 31 October 2014	242,698	109,063	11,229	362,990
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<i>Net book value</i>				
At 31 October 2014	6,402	21,710	5,172	33,283
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At 31 October 2013	8,496	24,066	9,628	42,190
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7 Other Creditors

	Period ended 31 October 2014 £	Period ended 31 October 2013 £
Bank overdraft	117,088	378,325
Other taxes and social security costs	53,050	71,269
Accruals	39,730	35,019
Dilapidations provision	461,536	370,180
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	671,404	854,793
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VMC Consulting Europe Limited

Notes forming part of the financial statements
for the period ended 31 October 2014 (*Continued*)

8 Share capital

	Allotted, called up and fully paid			
	31 October 2014 Number	31 October 2013 Number	31 October 2014 £	31 October 2013 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

9 Reconciliation of movements in shareholder's deficit

	31 October 2014 £	31 October 2013 £
(Loss) for the period	(195,462)	(507,490)
Opening shareholder's deficit	(648,053)	(140,563)
Closing shareholder's deficit	(843,515)	(648,053)

10 Commitments under operating leases

As at 31 October 2014, the company had annual commitments under non-cancellable operating leases as set out below:

	31 October 2014 Land and buildings £	31 October 2013 Land and buildings £
Operating leases which expire:		
Within one year	-	-
In two to five years	173,425	173,425

11 Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard No 8 paragraph 3(c) from the requirement to disclose transactions with companies within the Volt Information Sciences Inc. group on the basis that group financial statements are prepared by the ultimate parent.

12 Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 1 (Revised) from the requirement to produce a statement of cash flows on the grounds that the company is a wholly owned subsidiary undertaking and its parent prepares group financial statements.

VMC Consulting Europe Limited

**Notes forming part of the financial statements
for the period ended 31 October 2014 (*Continued*)**

13 Immediate and ultimate parent company

At 31 October 2014 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 parent company of the smallest and largest group within which the financial statements of the company are consolidated.