Right Management Limited

Annual Report and Financial Statements

For the year ended 31 December 2018

Registered number: 01479160

Right Management Limited

Annual report and financial statements 2018

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Annual report and financial statements 2018

Officers and professional advisers

Directors
D Duffy
I C Symes

Company Secretary and Registered Office
D Duffy
50 Bank Street
Canary Wharf
London
E14 5NS

Banker
Barclays Bank plc
Level 28
1 Churchill Place
Canary Wharf
London
E14 5HP

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

Right Management (www.right.com) is the talent and career management expert within ManpowerGroup, the global leader in employment services. Our expertise spans Talent Assessment, Leadership Development, Organisation Effectiveness, Employee Engagement and Workforce Transition and Outplacement. We work with more than 80% of Fortune 500 companies to help them grow their talent, reduce costs and accelerate performance.

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 2018 the Company's annual turnover increased by 7.0% from £22,376,000 to £23,939,000 (2017 – decrease 3.7%). There was also growth in operating profit, resulting from cost savings and improved efficiency in running the Company's operations.

As shown in the profit and loss account on page 10, the Company's profit after taxation was £4,484,000 (2017 - £2,041,000).

During 2018, the Company's cash position increased from £11,731,000 to £16,680,000.

Key performance indicators

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

	2018	**2017**
Operating profit margin	18.8%	9.7%

Operating profit margin = operating profit as a percentage of turnover.

The movement in operating profit margin is down to a growth in revenue from some of the Company's larger client accounts, along with costs savings and improved efficiency of delivery.

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 principal financial risk that the directors consider relevant to this Company is credit risk. The risk is mitigated through a robust credit control function.

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.

Strategic report (continued)

Principal risks and uncertainties (continued)

Brexit poses a significant risk across the current economic landscape. While Brexit is typically seen as a risk to many businesses, the Company's business model sees this as an opportunity for growth.

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 2018 in the forthcoming year.

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

D Duffy
Director
22nd September 2019

50 Bank Street
Canary Wharf
London
E14 5NS

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 2018.

Directors

The directors, who served throughout the year and to the date of this report except as noted, were as follows:

I C Symes

D Duffy - Appointed 30 April 2018

R Gorton - Resigned 30 April 2018

Dividends

The directors paid dividend payments during the year of £nil (2017- £nil). The directors have not proposed any dividend during the year (2017- £nil).

Future developments and events after the balance sheet date

Details of future developments can be found in the strategic report on page 3. There are no post balance sheet date events.

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 page 2 of the financial statements.

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

Financial risk management objectives and policies

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

Employees

Details of the number of employees and related costs can be found in note 6 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.

Directors' report (continued)

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.

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 ought to have taken as a director in order to make himself 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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

D Duffy
Director

27th September 2019

50 Bank Street
Canary Wharf
London
E14 5NS

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

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 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.

Independent auditor's report to the members of Right Management Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Right Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company 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 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Right Management Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters 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 or the directors' report.

Independent auditor's report to the members of Right Management Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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.

Tim Steel

Timothy Steel ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

27 **September 2019**

Profit and loss account
For the year ended 31 December 2018

	Note	2018 £000	2017 £000
Turnover		23,939	22,376
Administrative expenses	I	(19,435)	(20,211)
Operating profit		4,504	2,165
Finance income/(costs) (net)	3	38	(48)
Profit before taxation	4	4,542	2,117
Tax on profit	8	(58)	(76)
Profit for the financial year attributable to equity shareholders of the Company		4,484	2,041

All results relate to continuing activities.

Statement of comprehensive income
For the year ended 31 December 2018

	2018 £000	2017 £000
Profit for the financial year	4,484	2,041
Re-measurement of net defined benefit asset	(117)	122
Effect of limit on recognisable pension scheme asset	111	(125)
Tax relating to components of other comprehensive expense	-	-
Other comprehensive expense	(6)	(3)
Total comprehensive income attributable to equity shareholders of the Company	4,478	2,038

Balance sheet
As at 31 December 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	9	501	715
Current assets			
Stocks	10	14	21
Debtors			
- due within one year	11	28,674	28,122
- due after one year	11	224	282
Cash at bank and in hand		16,680	11,731
		45,592	40,156
Creditors: amounts falling due within one year	12	(7,078)	(6,391)
Net current assets		38,514	33,765
Total assets less current liabilities		39,015	34,480
Staff pension scheme surplus	16	-	-
Provisions for liabilities	13	(331)	(274)
Net assets		38,684	34,206
Capital and reserves			
Called up share capital	14	-	-
Other reserves	14	(8)	(8)
Capital Contribution	14	7,129	7,129
Profit and loss account	14	31,563	27,085
Shareholder's funds		38,684	34,206

The financial statements of Right Management Limited, a Company registered in England and Wales with registered number 01479160, were approved by the Board of Directors and authorised for issue on 27 September 2019. They were signed on its behalf of by:

D Duffy
Director

Statement of changes in equity
For the year ended 31 December 2018

	Called up share capital £000	Other reserves £000	Capital contribution £000	Profit and loss account £000	Total £000
At 1 January 2017	-	(8)	7,129	25,047	32,168
Profit for the financial year	-	-	-	2,041	2,041
Other comprehensive expense	-	-	-	(3)	(3)
Total comprehensive income	-	-	-	2,038	2,038
At 31 December 2017	-	(8)	7,129	27,085	34,206
Profit for the financial year	-	-	-	4,484	4,484
Other comprehensive expense	-	-	-	(6)	(6)
Total comprehensive income	-	-	-	4,478	4,478
At 31 December 2018	-	(8)	7,129	31,563	38,684

Notes to the Financial statements
For the year ended 31 December 2018

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

Right Management Limited is a private Company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of Right Management Limited's operation and its principal activities are set out in the strategic report on page 2.

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

Right Management 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. Right Management Limited is consolidated in the financial statements of its ultimate parent, 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 considerable financial resources together with long term contracts with a number of customers across different industries. The business model facilitates the flexibility to move quickly and efficiently with changing economic conditions and as a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Company has significant net current assets and net assets and has access to third party short term debt finance that is available to all ManpowerGroup Inc. group companies.

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.

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 improvements	-	shorter of 5 years and length of lease
Fixtures, fittings and equipment	-	5 years
Computers	-	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.

Notes to the Financial statements (continued)
For the year ended 31 December 2018

1. Accounting policies (continued)

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.

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. Revenue is recognised in the month that services are performed. This is achieved by either booking a sales invoice or by way of a work in progress accrual. If a sales invoice represents work to be delivered over future months, part of the invoice will be deferred to accurately reflect the timing of the delivery.

Interest revenue

Interest income is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying value on initial recognition.

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 4 and 15 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.

Notes to the Financial statements (continued)
For the year ended 31 December 2018

1. Accounting policies (continued)

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All differences are taken to the profit and loss account.

Employee benefits

The Company participates in both a defined benefit scheme and defined contribution scheme with assets held in separate trustee administered funds.

The Company participates in the Coutts Consulting Group Civil Service Replacement Benefit Scheme (the 'CS Scheme') (see note 16). This is a defined benefit scheme, the assets and liabilities of which are held independently from the Company. The Company recognises a cost equal to its contribution payable for the period in its profit and loss account.

It is the policy of the Company 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.

The Company operates a defined contribution pension 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.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors do not believe that there are any key judgements involved in preparation of these financial statements.

Notes to the Financial statements (continued)
For the year ended 31 December 2018

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below.

Revenue recognition

The critical estimation takes place in relation to the cut-off of revenue. Revenue is recognised in the month that services are performed. This is achieved by either booking a sales invoice or by way of a work in progress accrual. If a sales invoice represents work to be delivered over future months, part of the invoice will be deferred to accurately reflect the timing of the delivery.

Defined benefit pension scheme accounting

The critical judgement takes place in relation to the assumptions used in the valuation of the scheme assets and liabilities and specifically the judgment that the surplus in the scheme of £357,000 (2017: £466,000) may not be recoverable by the Company. As set out in the Pension Scheme Rules, a surplus can only be paid to the Company with written agreement of the Trustees and this was not obtained at year end. More details on the assumptions used are given in note 16.

3. Finance (income)/costs (net)

	2018 £000	2017 £000
Interest payable and similar charges	43	91
Less: investment income	(70)	(35)
Other finance income	(11)	(8)
	(38)	48
Interest payable and similar charges		
Net exchange loss	40	53
Bank charges	3	38
	43	91
Investment income		
Bank interest income	(70)	(35)
Other finance income		
Interest on defined benefit asset	(11)	(8)

Notes to the Financial statements (continued)
For the year ended 31 December 2018

4. Profit before taxation

	2018 £000	2017 £000
Profit before taxation is stated after charging:		
Depreciation of tangible fixed assets	220	239
Operating lease rentals		
- land and buildings	323	447

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £46,000 (2017 - £43,800). Fees payable to Deloitte LLP and their associates for the audit of the associated pension scheme were £9,900 (2017 - £9,000).

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.

6. Staff numbers and costs

	2018 £000	2017 £000
Staff costs of the Company, including directors, were:		
Salaries	5,659	5,745
Social security costs	650	715
Other pension costs	651	613
	6,960	7,073

	2018 Number	2017 Number
The monthly average number of persons employed by the Company during the year, including directors, was:		
Sales	11	12
Delivery	36	42
Administration	86	83
	133	137

Notes to the Financial statements (continued)
For the year ended 31 December 2018

7. Directors' remuneration and transactions

Directors' remuneration	2018 £000	2017 £000
Emoluments	224	175
Company contributions to money purchase pension schemes	13	9
	237	184

The number of directors who:	2018 Number	2017 Number
Are members of a money purchase pension scheme	1	1

Highest-paid director	2018 £000	2017 £000
Emoluments	224	175
Company contributions to money purchase pension schemes	13	9
	237	184

8. Tax on profit

The tax charge comprises:

	2018 £000	2017 £000
Current tax on profit		
UK corporation tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	36	(32)
Decrease in estimate of recoverable deferred tax assets	22	108
Total deferred tax charge	58	76
Total tax on profit	58	76

Notes to the Financial statements (continued)
For the year ended 31 December 2018

8. Tax on profit (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:

	2018 £000	2017 £000
Profit before taxation	4,541	2,117
Tax on profit at standard UK tax rate of 19% (2017 – 19.25%)	862	407
Effects of:		
Expenses not deductible for tax purposes (net)	55	147
Income not taxable in determining taxable profit	-	(71)
Group relief received for no payment	(859)	(407)
Total tax on profit	58	76

The Finance Act 2016, which was substantively enacted in September 2016, included provisions to reduce the rate of UK corporation tax to 19% with effect from 1 April 2017 and 17% with effect from 1 April 2020. Deferred taxation is measured at tax rates that are expected to apply in the periods in which temporary timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively been enacted at the balance sheet date. Accordingly 17% has been applied when calculating deferred tax assets and liabilities as at 31 December 2018.

There are no unprovided liabilities, or unrecognised assets for deferred taxation in either year.

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

9. Tangible fixed assets

	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At 1 January 2018	1,745	2,517	4,262
Additions	-	6	6
At 31 December 2018	1,745	2,523	4,268
Depreciation			
At 1 January 2018	1,206	2,341	3,547
Charge for the year	150	70	220
At 31 December 2018	1,356	2,411	3,767
Net book value			
At 31 December 2018	389	112	501
At 31 December 2017	539	176	715

Notes to the Financial statements (continued)
For the year ended 31 December 2018

10. Stocks

	2018 £000	2017 £000
Finished goods	14	21

There is no material difference between the balance sheet value of stocks and their replacement cost.

11. Debtors

	2018 £000	2017 £000
Amounts falling due within one year:		
Amounts due from parent undertakings	23,929	24,435
Amounts due from other group undertakings	272	168
Trade debtors	1,935	1,539
Prepayments and accrued income	2,538	1,980
	28,674	28,122
Amounts falling due after more than one year:		
Deferred tax asset	224	282
	28,898	28,404

The movement on the deferred tax asset comprises:		
At 1 January	282	358
Charged to profit and loss account	(58)	(76)
At 31 December	224	282
Deferred tax comprises:		
Accelerated capital allowances	169	186
Other timing differences	55	96
	224	282

Amounts due from parent undertakings include loans of £23,929,000 (2017 - £24,435,000) and current accounts of £nil (2017 - £nil) that are unsecured, interest-free, and repayable on demand.

Amounts due from other group undertakings comprise current accounts of £272,000 (2017 - £168,000) that are unsecured, interest-free, and repayable on demand.

Notes to the Financial statements (continued)
For the year ended 31 December 2018

12. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	451	900
Amounts due to other group undertakings	793	395
Taxation and social security	861	658
Accruals and deferred income	4,973	4,438
	7,078	6,391

Amounts due to other group undertakings comprise current accounts of £793,000 (2017 - £395,000) that are unsecured, interest-free, and repayable on demand.

13. Provision for liabilities

	2018 £000	2017 £000
Provision for dilapidations		
At 1 January	274	541
Charged to profit and loss account	57	196
Utilised in year	-	(463)
At 31 December	331	274

14. Called up share capital and reserves

	2018 £	2017 £
Authorised:		
100 Ordinary shares of £1 each	100	100
Called up, allotted and fully paid		
100 Ordinary shares of £1 each	100	100

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

The Company's other reserves are as follows:

The other reserves represents distributions made to ManpowerGroup Inc. pursuant to that company's stock option scheme.

The capital contribution reserve relates to capital contributions made by the parent or other group companies.

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

Notes to the Financial statements (continued)
For the year ended 31 December 2018

15. Financial commitments

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

	Land and buildings	
	2018	2017
	£000	£000
Operating leases which expire:		
- within one year	394	394
- between one and five years	886	1,279
	1,280	1,673

16. Employee benefits

Defined contribution scheme

The Company operates a defined contribution pension scheme under which the executive directors and all employees are eligible to participate, based on age and length of service. It is the policy of the Company to charge contributions to this scheme in the profit and loss account over the period of the employees' membership of the scheme. Contributions of £651,000 (2017 - £613,000) were charged in the year.

Defined benefit scheme

As of 12 October 1998, the Group started a defined benefit scheme under which certain employees are eligible, the Coutts Consulting Group Civil Service Replacement Benefit Scheme (the 'CS Scheme'). The CS Scheme is funded by the payment of contributions to separate trustee-administered funds.

A full actuarial valuation of the CS Scheme was performed as at October 2016. This used the projected unit method. The contribution rate in 2018 was 63.9% (2017 – 63.9%) of pensionable pay plus an additional contribution of £1,400 per month from 1 July 2017. No other assumptions have changed since the full actuarial valuation in 2014.

The major assumptions used by the actuary at the balance sheet date were (in nominal terms):

	2018	2017
	%	%
Rate of increase in pensionable salaries	2.0	2.0
Pension escalation in payment (maximum 5%)	2.9	2.7
Discount rate	2.7	2.4
Inflation assumption	2.9	2.7

Notes to the Financial statements (continued)
For the year ended 31 December 2018

16. Employee benefits (continued)

Mortality assumptions

The assumed life expectations on retirement at age 60 are:

	2018 years	2017 years
Retiring today:		
Males	27.1	27.3
Females	29.6	29.7
Retiring in 20 years:		
Males	28.7	28.8
Females	31.1	31.2

The analysis of the assets of the scheme and the net asset recognised at the balance sheet date were:

	2018 £000	2017 £000
Equities	1,244	1,401
Bonds	228	285
Property	90	140
Other (including cash)	236	139
Total market value of assets	1,798	1,965
Actuarial value of liability	(1,441)	(1,499)
Surplus in the scheme	357	466
Unrecognised surplus	(357)	(466)
Pension asset	-	-

Analysis of the amount charged to operating profit:

	2018 £000	2017 £000
Operating profit		
Current service cost	(5)	(5)
Total operating charge	(5)	(5)

Notes to the Financial statements (continued)
For the year ended 31 December 2018

16. Employee benefits (continued)

Analysis of the amount credited to interest receivable and similar income:

	2018 £000	2017 £000
Finance income		
Expected return on pension scheme assets	47	46
Interest on pension liabilities	(36)	(38)
Net return	11	8

Analysis of the amount charged to other comprehensive income:

	2018 £000	2017 £000
Re-measurement of net defined benefit asset	(117)	122
Effect of limit on recognisable pension scheme asset	111	(125)
Total recognised in other comprehensive income	(6)	(3)

Movements in the present value of defined benefit obligations were as follows:

	2018 £000	2017 £000
At 1 January	1,499	1,463
Current service cost	5	5
Interest expense	36	38
Actuarial (gains)/losses	(59)	32
Benefits paid	(40)	(39)
At 31 December	1,441	1,499

Movements in the fair value of scheme assets were as follows:

	2018 £000	2017 £000
At 1 January	1,965	1,783
Interest income	47	46
Return on plan assets (excluding amounts included in net interest cost)	(176)	154
Contributions by employer	14	36
Administration fee paid from scheme assets	(12)	(15)
Benefits paid	(40)	(39)
Market Value of Assets at the end of the year	1,798	1,965

Notes to the Financial statements (continued)
For the year ended 31 December 2018

17. 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 RMC EMEA Limited, a company registered in England and Wales, whose principal place of business is at 50 Bank Street, Canary Wharf, London, E14 5NS.

The only group in which the results of Right Management 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.