

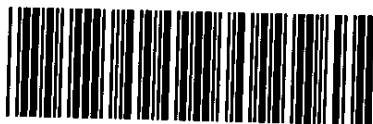
Registered number: 01479160

Right Management Limited

Annual Report and Financial Statements

For the year ended 31 December 2022

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Right Management Limited

Annual report and financial statements 2022

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Right Management Limited

Annual report and financial statements 2022

Officers and professional advisers

Directors

T J Gilbert
B M De Graaf

Company Secretary and Registered Office

T J Gilbert
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

Right Management Limited

Strategic report

The directors of Right Management Limited (the "Company"), 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. Covid-19 has presented both an opportunity for growth and a challenge to delivery in the forthcoming year. Further detail provided in principal risks and uncertainties, below.

During 2022, the Company's annual turnover increased by 7.2% from £22,132,000 to £23,728,000 (2021 – decrease 0.5 %). This was driven by an improvement in activity levels, in certain parts of the business, after UK Covid-19 restrictions were lifted in 2022.

As shown in the profit and loss account on page 11, the Company's profit after taxation was £3,424,000 (2021 - £3,556,000). This movement is a consequence of differing group tax credits between 2021 and 2022.

During 2022, the Company's cash position increased from £12,568,000 to £14,314,000. This change broadly reflects the year-on-year profit movement.

Key performance indicators

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

	2022	2021
Operating profit margin	17.2 %	13.8%

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

The movement in operating profit margin is due to an increased turnover combined with a more efficient programme delivery, and an increase in more profitable service lines, when compared to prior year.

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 and liquidity 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, which includes credit worthiness checks on new and existing clients, along with on-going reviews of the Company's receivables position.

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.

Right Management Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

The inflationary pressures and economic uncertainty from the war in Ukraine are having an ongoing impact to the trading environment. The inflationary pressures are being carefully monitored by the Directors, with appropriate measures being taken to adapt operations to this risk. While the underlying economic uncertainty is typically seen as a risk to many businesses, the Company sees this as an opportunity for growth due to the potential for corporate restructuring across the economy and possible demand for the Company's services.

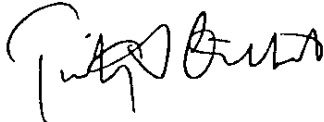
The Company responded well to the Covid-19 impact in 2022, with revenue growth recognised for the year. The Directors will continue to monitor, review and take the appropriate steps, as well as recognise and address the other current and emerging risks and uncertainties faced as a business. ManpowerGroup companies are well placed to respond positively to the changing market conditions from these factors.

Future developments

Whilst the market conditions remain volatile and uncertain, 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 changes in the economy and potential increases in the demand for employment services which will arise therefrom.

Notwithstanding the risks and uncertainties outlined above, the directors expect the general level of activity to remain consistent with 2022 in the forthcoming year.

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



T J Gilbert
Director
3rd August 2023

50 Bank Street
Canary Wharf
London
E14 5NS

Right Management Limited

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 2022.

Directors

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

B M De Graaf	- Appointed 31 March 2022
T J Gilbert	- Appointed 28 February 2022
I C Symes	- Resigned 31 March 2022
D Duffy	- Resigned 28 February 2022

Dividends

The directors paid dividend payments during the year of £nil (2021 - £nil). The directors have not proposed any dividend during the year or post year end (2021 - £nil).

Future developments

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

Going concern

The inflationary pressures and economic uncertainty from the war in Ukraine continue to have an ongoing affect to the trading environment in terms of existing and prospective clients and rising costs. However, the Company has adapted its operations to try and minimise the financial impact. Consequently, the Company's cash-flow position remains healthy post year end and the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Furthermore, the Company has a significant cash balance and has received a commitment of financial support, at least 12 months from the date of the signed accounts, from its ultimate parent company ManpowerGroup Inc., which is in a strong financial position 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 8 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Right Management Limited

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

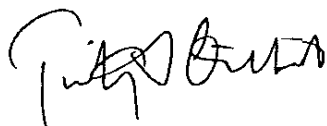
Each of the persons who is a director at the date of approval of this report confirms that:

- 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/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 the Companies Act 2006.

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



T J Gilbert
Director

3rd August 2023

50 Bank Street
Canary Wharf
London
E14 5NS

Right Management Limited

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 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 2022 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 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 19.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006, Tax and Pension legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included UK Bribery Act, Employment Law, Data Protection Act (GDPR), Money Laundering, and Proceeds of Crime Act 2006.

We discussed among the audit engagement team including relevant internal specialists such as pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address it are described below:

- Risk of revenue being recorded in an incorrect period resulting in a cut-off error and associated error in valuation of deferred and accrued income. We tested pre-and post-year-end revenue on a sample basis to check the revenue recognition is consistent with contractual terms and that revenue is recorded in the correct period, i.e., when services are provided. We tested deferred and accrued income by recalculating total year-end balances to verify the accuracy of the value recorded by management and we also tested the relevant information produced by the entity to support management's calculation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

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.

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.



Dulat Taituleyev CA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

Date: 3 August 2023

Right Management Limited

Profit and loss account

For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover		23,728	22,132
Cost of sales	3	(8,367)	(7,857)
Gross profit		15,361	14,275
Administrative expenses	4,8	(11,284)	(11,210)
Operating profit		4,077	3,065
Finance income (net)	5	164	23
Profit before taxation	6	4,241	3,088
Tax (charge) / credit	10	(817)	468
Profit for the financial year attributable to equity shareholders of the Company		3,424	3,556

All results relate to continuing activities.

Right Management Limited

Statement of comprehensive income For the year ended 31 December 2022

	2022 £000	2021 £000
Profit for the financial year	3,424	3,556
Re-measurement of net defined benefit asset	(191)	208
Effect of limit on recognisable pension scheme asset	184	(216)
Tax relating to components of other comprehensive loss	-	-
Other comprehensive loss	(7)	(8)
Total comprehensive income attributable to equity shareholders of the Company	3,417	3,548

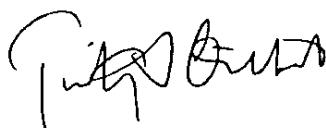
Right Management Limited

Balance sheet

As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	11	276	203
Investments	11	36,900	36,900
		<u>37,176</u>	<u>37,103</u>
Current assets			
Stocks	12	22	21
Debtors			
- due within one year	13	4,746	4,136
- due after one year	13	116	169
Cash at bank and in hand		14,314	12,568
		<u>19,198</u>	<u>16,894</u>
Creditors: amounts falling due within one year	14	<u>(4,935)</u>	<u>(5,906)</u>
Net current assets		<u>14,263</u>	<u>10,988</u>
Total assets less current liabilities		<u>51,439</u>	<u>48,091</u>
Provisions for liabilities	15	(31)	(100)
Net assets		<u>51,408</u>	<u>47,991</u>
Capital and reserves			
Called up share capital	16	-	-
Other reserves	16	(8)	(8)
Capital contribution	16	7,129	7,129
Profit and loss account	16	44,287	40,870
Shareholder's funds		<u>51,408</u>	<u>47,991</u>

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 3rd August 2023. They were signed on its behalf of by:



T J Gilbert
Director

Right Management Limited

Statement of changes in equity For the year ended 31 December 2022

	Called up share capital £000	Other reserves £000	Capital contribution £000	Profit and loss account £000	Total £000
At 1 January 2021	-	(8)	7,129	37,322	44,443
Profit for the financial year	-	-	-	3,556	3,556
Other comprehensive loss	-	-	-	(8)	(8)
Total comprehensive income	-	-	-	3,548	3,548
At 31 December 2021	-	(8)	7,129	40,870	47,991
Profit for the financial year	-	-	-	3,424	3,424
Other comprehensive loss	-	-	-	(7)	(7)
Total comprehensive income	-	-	-	3,417	3,417
At 31 December 2022	-	(8)	7,129	44,287	51,408

Right Management Limited

Notes to the financial statements For the year ended 31 December 2022

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 and intra group transactions.

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 inflationary pressures and economic uncertainty from the war in Ukraine continue to have an ongoing affect to the trading environment, however the Company has adapted its operations to try and minimise the financial impact. Consequently, the Company's cash-flow position remains healthy post year end.

Furthermore, the Directors have considered the ability of ManpowerGroup Inc. to support the Company, with a financial commitment of at least 12 months after the signing date from the ultimate parent. ManpowerGroup Inc. has a strong balance sheet and has a revolving credit agreement which allows borrowing of US\$600.0 million. Under this credit facility, there were no borrowings as of 31 December 2022, and \$75.0 million borrowings as of December 31, 2021.

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 accumulated depreciation and any impairment loss.

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.

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

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 income

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 6 and 17 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.

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

1. Accounting policies (continued)

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined using the invoice value and all other directly attributable costs to bringing the inventory to the point of use determined on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost necessary to make the sale.

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 18). This is a defined benefit scheme, the assets and liabilities of which are held independently from the Company.

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.

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

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 £479,000 (2021: £651,000) 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 18.

3. Cost of sales

	2022 £000	2021 £000
Consultant and supervision fees	7,352	7,321
Delivery costs	829	445
Other costs	186	91
	<u>8,367</u>	<u>7,857</u>

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

4. Administrative expenses

	2022 £000	2021 £000
Staff costs	7,670	7,605
Royalty expenses and other management charges	1,519	1,872
Service charges	444	558
Utilities and other office expenses	544	520
Insurance expense	260	206
Lease expense	194	261
Depreciation on tangible assets	87	142
Consulting fees	217	185
Maintenance expenses	97	(164)
Advertising expenses	156	145
Travel and accommodation expenses	123	59
Other expenses and releases	(27)	(179)
	<u>11,284</u>	<u>11,210</u>

Included in maintenance expenses is a one-off release of a dilapidation accrual of £nil (2021: £300,000).

Included in other expenses is an amount of £212,000 relating to a reversal of an accrual no longer required in the current year (2021: £212,000).

5. Finance income (net)

	2022 £000	2021 £000
Interest payable and similar charges	5	39
Interest receivable and similar income	(169)	(62)
	<u>(164)</u>	<u>(23)</u>
Interest payable and similar charges		
Net exchange loss	-	30
Bank charges	5	9
	<u>5</u>	<u>39</u>
Interest receivable and similar income		
Bank interest income	(138)	(62)
Net exchange gain	(31)	-
	<u>(169)</u>	<u>(62)</u>

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

6. Profit before taxation

	2022 £000	2021 £000
Profit before taxation is stated after charging:		
Depreciation of tangible fixed assets	87	142
Operating lease rentals - land and buildings	194	261
	<u> </u>	<u> </u>

7. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £71,500 (2021 - £67,000). Fees payable to Deloitte LLP and their associates for the audit of the associated pension scheme were £15,860 (2021 - £15,600).

8. Staff numbers and costs

	2022 £000	2021 £000
<i>Staff costs of the Company, including directors, were:</i>		
Salaries	6,141	6,107
Social security costs	791	706
Other pension costs	738	792
	<u> </u>	<u> </u>
	7,670	7,605
	<u> </u>	<u> </u>

	2022 Number	2021 Number
The monthly average number of persons employed by the Company during the year, including directors, was:		
Sales	14	14
Delivery	33	35
Administration	103	105
	<u> </u>	<u> </u>
	150	154
	<u> </u>	<u> </u>

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

9. Directors' remuneration and transactions

	2022 £000	2021 £000
Directors' remuneration		
Emoluments	153	183
Company contributions to money purchase pension schemes	7	13
	<u>160</u>	<u>196</u>

	2022 Number	2021 Number
The number of directors who:		
Are members of a money purchase pension scheme	<u>1</u>	<u>1</u>

	2022 £000	2021 £000
Highest-paid director		
Emoluments	153	183
Company contributions to money purchase pension schemes	7	13
	<u>160</u>	<u>196</u>

10. Tax charge / (credit)

The tax charge / (credit) comprises:

	2022 £000	2021 £000
Current tax on profit		
UK corporation tax	764	-
Adjustment in respect of previous periods	-	(512)
Total current tax charge / (credit)	<u>764</u>	<u>(512)</u>
Deferred tax		
Origination and reversal of timing differences	40	84
Effect of changes in tax rates	13	(40)
Total deferred tax charge	<u>53</u>	<u>44</u>
Total tax charge / (credit)	<u>817</u>	<u>(468)</u>

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

10. 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:

	2022 £000	2021 £000
Profit before taxation	4,241	3,088
Tax on profit at standard UK tax rate of 19.00% (2021 – 19.00%)	806	587
Effects of:		
Expenses not deductible for tax purposes (net)	2	6
Effects of group relief / other reliefs	-	(509)
Adjustment in respect of previous periods	-	(512)
Tax rate changes	13	(40)
Share Options	(4)	-
Total tax on profit	817	(468)

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as substantively enacted by Finance Act 2016 on 6 September 2016). However, legislation introduced in the Finance Act 2020 and substantively enacted on 17 March 2020 repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 25.00% (2021 – 19.00%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK corporation tax rate for the year ended 31 December 2022 is 19% which has been effective since 1 April 2017. Legislation increasing the corporation tax rate to 25% with effect from 1 April 2023 was substantively enacted on 24 May 2021. Deferred taxes at 31 December 2022 have been measured using this enacted tax rate and reflected in these financial statements.

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.

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

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

11. Fixed assets

Tangible fixed assets:

	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At 1 January 2022	1,745	2,747	4,492
Additions	134	26	160
	<u>1,879</u>	<u>2,773</u>	<u>4,652</u>
At 31 December 2022			
Depreciation			
At 1 January 2022	1,745	2,544	4,289
Charge for the year	19	68	87
	<u>1,764</u>	<u>2,612</u>	<u>4,376</u>
At 31 December 2022			
Net book value			
At 31 December 2022	<u>115</u>	<u>161</u>	<u>276</u>
At 31 December 2021	<u>-</u>	<u>203</u>	<u>203</u>

Investments:

	2022 £000	2021 £000
Amounts due from parent undertakings	<u>36,900</u>	<u>36,900</u>

Amounts due from parent undertakings include loans of £36,900,000 (2021 - £36,900,000) that are unsecured, interest-free, and repayable on demand.

12. Stocks

	2022 £000	2021 £000
Finished goods	<u>22</u>	<u>21</u>

There is no material difference between the balance sheet value of stocks and their replacement cost. The Company has recognised a stock expense of £1,000 (2021 - £1,000).

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

13. Debtors

	2022 £000	2021 £000
Amounts falling due within one year:		
Amounts due from other group undertakings	1,703	396
Trade debtors	1,545	1,758
Prepayments and accrued income	1,498	1,982
	<u>4,746</u>	<u>4,136</u>
Amounts falling due after more than one year:		
Deferred tax asset	116	169
	<u>4,862</u>	<u>4,305</u>
 The movement on the deferred tax asset comprises:		
At 1 January	169	213
Charged to profit and loss account	(53)	(44)
	<u>116</u>	<u>169</u>
At 31 December	<u>116</u>	<u>169</u>
Deferred tax comprises:		
Fixed asset timing differences	95	131
Short term timing differences - trading	21	38
	<u>116</u>	<u>169</u>

Amounts due from other group undertakings comprise of current trading accounts of £1,703,000 (2021 - £396,000) that are unsecured, interest-free, and repayable on demand.

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

14. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	381	903
Amounts due to other group undertakings	745	1,221
Taxation and social security	1,807	624
Accruals and deferred income	2,002	3,158
	<u>4,935</u>	<u>5,906</u>

Amounts due to other group undertakings comprise of current trading accounts of £745,000 (2021 - £1,221,000) that are unsecured, interest-free, and repayable on demand.

15. Provision for liabilities

	2022 £000	2021 £000
Provision for dilapidations		
At 1 January	100	335
Charged/(credit) to profit and loss account	31	(235)
Utilised in year	(100)	-
	<u>31</u>	<u>100</u>
At 31 December		

This provision covers the expected cost of returning the leasehold property back to its original condition at the start of the lease. The lease expiry is March 2027, with a total expected cost of £205,000.

16. Called up share capital and reserves

	2022 £	2021 £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

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 represent 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.

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

17. Financial commitments

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

	Land and buildings	
	2022 £000	2021 £000
Operating leases which expire:		
- within one year	246	98
- between one and five years	861	-
	<u>1,107</u>	<u>98</u>

18. 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 £720,000 (2021 - £744,000) were charged in the year.

Defined benefit scheme

As of 12 October 1998, the Company 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. The CS Scheme pays out pensions at retirement based on service and final pay. The funding policy is agreed between the Trustees and the Company and is formally set out in a Statement of Funding Principles, Schedule of Contributions and Recovery Plan following each full actuarial valuation.

A full actuarial valuation of the CS Scheme was performed as at 11 October 2019, using the Projected Unit Method, and the defined benefit obligation has been adjusted to the reporting date at 31 December 2022 using an approximate roll-forward approach, allowing for benefits paid to members over the period. The contribution rate from October 2019 was 107.7% (2017 valuation – 63.9%) of pensionable pay. No other funding assumptions have changed since the 2017 actuarial valuation.

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

	2022 %	2021 %
Rate of increase in pensionable salaries	2.00	2.00
Pension escalation in payment (maximum 5%)	5.00	5.00
Discount rate	4.70	1.80
Inflation assumption	<u>3.15</u>	<u>3.70</u>

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

18. Employee benefits (continued)

Mortality assumptions

The assumed life expectations on retirement at age 60 are:

	2022 years	2021 years
Retiring today:		
Males	26.1	26.1
Females	28.9	28.8
Retiring in 20 years:		
Males	27.6	27.5
Females	30.4	30.3

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

	2022 £000	2021 £000
Equities	568	683
Bonds	950	1,559
Property	-	-
Other (including cash)	12	13
Total market value of assets	1,530	2,255
Actuarial value of liability	(1,051)	(1,604)
Surplus in the scheme	479	651
Unrecognised surplus	(479)	(651)
Pension asset	-	-

Analysis of the amount charged to operating profit:

	2022 £000	2021 £000
Operating profit		
Current service cost	(15)	(15)
Scheme administration expenses	-	-
Total operating charge	(15)	(15)

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

18. Employee benefits (continued)

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

	2022 £000	2021 £000
Finance income		
Expected return on pension scheme assets	40	29
Interest on pension liabilities	(28)	(23)
Interest adjustment relating to asset ceiling	(12)	(6)
	<u> </u>	<u> </u>
Net return	-	-
	<u> </u>	<u> </u>

Analysis of the amount charged to other comprehensive income:

	2022 £000	2021 £000
Re-measurement of net defined benefit asset	(191)	208
Effect of limit on recognisable pension scheme asset	184	(216)
	<u> </u>	<u> </u>
Total recognised in other comprehensive loss	(7)	(8)
	<u> </u>	<u> </u>

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

	2022 £000	2021 £000
At 1 January	1,604	1,786
Current service cost	15	15
Interest expense	28	23
Actuarial gain	(546)	(170)
Benefits paid	(50)	(50)
	<u> </u>	<u> </u>
At 31 December	1,051	1,604
	<u> </u>	<u> </u>

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

	2022 £000	2021 £000
At 1 January	2,255	2,215
Interest income	40	29
Return on plan assets (excluding amounts included in net interest cost)	(737)	38
Contributions by employer	22	23
Administration fee paid from scheme assets	-	-
Benefits paid	(50)	(50)
	<u> </u>	<u> </u>
Market value of assets at the end of the year	1,530	2,255
	<u> </u>	<u> </u>

Right Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

18. Employee benefits (continued)

Movements in the unrecognised surplus were as follows:

	2022 £000	2021 £000
At 1 January	651	429
Interest on the unrecognised surplus	12	6
Change in the unrecognised surplus excluding interest	(184)	216
Unrecognised surplus at the end of the year	<u>479</u>	<u>651</u>

Fair value of scheme assets in each category:

	Quoted market price in active market	
	2022 £000	2021 £000
Equities	568	683
Bonds	950	1,559
Cash	12	13
Total	<u>1,530</u>	<u>2,255</u>

The Scheme assets include no assets from the Company's own financial instruments. The Scheme assets include no property occupied by, or other assets used by, the Company.

19. 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. This is the same address as the smallest undertaking.

The largest undertaking and 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.