

Michael Page International Recruitment Limited

Annual Report and Financial Statements

31 December 2020

Registration Number: 04130921

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Michael Page International Recruitment Limited

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Michael Page International Recruitment Limited

Corporate information

Directors

Kelvin Stagg
Jeremy Tatham
Kaye Maguire
Nicholas Kirk

Company secretary

Kaye Maguire

Registered number

04130921

Registered office

Page House
1 Dashwood Lang Road
Bourne Business Park
Addlestone
Surrey
United Kingdom
KT15 2QW

Auditor

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
RG1 1YE

Michael Page International Recruitment Limited

Strategic report

for the year ended 31 December 2020

The Directors present the Strategic Report of Michael Page International Recruitment Limited ("the Company") for the year ended 31 December 2020.

Principal Activity and Business review

The principal activity of the company is to provide recruitment services to the UK market. The profit for the year, after taxation, amounted to £28,719k (2019 - £53,560k).

Key performance indicators ("KPIs")

Michael Page International Recruitment Limited operates as a specialist recruitment consultancy. The financial and non-financial key performance indicators used by management to monitor progress are listed below:

	2020	2019	Growth rate
Gross profit (net fee income)	£80.6m	£134.4m	-40.0%
Gross margin (gross profit/turnover)	37.2%	42.9%	
Operating (loss)/profit	£(0.6)m	£13.8m	-104.3%
Conversion (operating (loss)/profit/gross profit)	-0.7%	10.3%	
Productivity (gross profit per fee earner)	£108.2K	£141.7K	-23.7%
Fee earner: support staff ratio	69:31	69:31	
Staff headcount (average)	1,092	1,374	-20.5%
Debtor days	35 days	39 days	-10.3%

Gross Margin 37.2% (2019: 42.9%)

Gross profit as a percentage of turnover. Gross margin declined from 42.9% in 2019 to 37.2% in 2020, due to the impact of the COVID 19 pandemic. The overall decrease in margin is a result of Temporary placement revenue, which is at a lower margin than Permanent placement revenue, being a greater proportion of revenue in 2020.

Conversion -0.7% (2019: 10.3%)

Operating profit as a percentage of gross profit showing the Company's effectiveness at controlling the costs and expenses associated with its normal business operations and the level of investment for the future. The decrease to -0.7% was due to the decline in Gross Profit as a result of COVID-19, partially offset by a £3.4m credit in relation to furlough income from the UK government. Furlough income received was paid back to HMRC in full in April 2021.

Productivity (gross profit per fee earner) £108.2k (2019: £141.7k)

Represents how productive fee earners are in the business and is calculated by dividing the gross profit for the year by the average number of fee earners and directors. The higher the value, the higher their productivity. Productivity is a function of the rate of investment in new fee earners, the impact of pricing and the general conditions of the recruitment market. The decrease in productivity of -23.7% was less severe than the -40.0% decline in Gross Profit, due to the natural attrition of new joiners or those on performance review, who were therefore less productive than our more experienced fee earners.

Fee earner : support staff ratio 69:31 (2019: 69:31)

Represents the balance between operational and non-operational staff. The ratio has been maintained at the level of prior year due to reduced recruitment in response to COVID-19.

Michael Page International Recruitment Limited
Strategic Report (continued)
for the year ended 31 December 2020

Debtor days 35 (2019: 39)

Represents the length of time the Company receives payments from its debtors. Calculated by comparing how many days' billings it takes to cover the debtor balance. The decrease year-on-year is due to a focus on debt collection and the reduced revenue in the year.

The source of data and calculation methods year-on-year are on a consistent basis.

Principal Risks and Uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of PageGroup plc ("the Group"), which is the Company's ultimate holding company, and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are as follows:

Shift in business model

We fail to take advantage of technology opportunities to support our drive on productivity, and customer and candidate experience. The emergence of new technology platforms and providers offering HR solutions and consulting may lead to increased competition and pressure on margin which may adversely affect the Group and Company's results if it were unable to respond effectively.

System transformation and change

The Company is in the process of implementing a new suite of IT applications. We have successfully implemented our new Global Finance System in all regions. We are now progressing with the roll out of Customer Connect, our consultants' operating systems. There is a risk that delivery takes significantly longer and costs significantly more than planned.

PageGroup brands and reputation

As the way clients and candidates source information changes, the awareness of the PageGroup brands and services could deteriorate. The relevance of the client and candidate engagement we offer could impact our success in acquiring, engaging and nurturing new clients and candidates. The quality of the services we provide to both clients and candidates could have a significant impact on how our brand is viewed. We continue to see the reputational impact one-off events can quickly have with the adoption of social media. Any event that could cause reputational damage is a risk to the Group, such as a failure to comply with regulations, or loss or theft of confidential data anywhere in our operating environment.

Global event

An external event occurs that significantly disrupts business and world economies requiring a response in excess of 'normal' contingency planning. Over the past two decades we have experienced the Global Financial Crisis and the COVID-19 global pandemic, both major unpredictable incidents that have had immediate and severe long lasting impacts.

People attraction, development and retention

Retention of senior and high performing staff is key to the Company's strategy of organic growth. Failure of such retention may adversely affect the Company's operating performance and financial results.

Michael Page International Recruitment Limited
Strategic Report (continued)
for the year ended 31 December 2020

Principal Risks and Uncertainties (continued)

Information Systems - technology

Our systems are an integral part of our operations. Loss of systems capability would have a high impact on our performance, impacting the quality of service we provide and our ability to deliver our financial performance.

Cyber security

Confidential, sensitive, and personal data is held across the Company. Failure to handle this data properly could expose the Company to financial penalties and reputational risk. There is also an increasing risk of loss of data due to malicious outside attacks or accidental breaches.

Fiscal and legal compliance

Any non-compliance with client contract requirements and legislative or regulatory requirements could have an adverse effect on the Company's financial results.

Financial management and control

Failure to maintain adequate financial and management processes and controls could lead to poor quality management decisions, resulting in the Group not achieving its financial targets or in errors in the Group's financial reporting. Failure to standardise systems and processes could lead to excessive costs within the finance function.

Financial assets and liabilities that expose the Company to financial risk consist principally of investments, intercompany debtors and intercompany creditors. The financial risks associated with these financial instruments are considered minimal. The recoverability of investments is assessed at year end and when indicators of impairments arise. The intercompany debtors and creditors are recoverable within the enlarged Michael Page group.

The company places its cash in creditworthy institutions. The profile of trade debtors is such that the concentration of credit risk is not considered a concern. The carrying amounts of cash and bank balances and trade debtors approximate their respective fair values due to the short term maturity of these financial instruments. The Directors are of a view that the Company is not exposed to any significant interest rate or inflation rate risks.

Data Protection

Confidential, sensitive and personal data is held across the Company. Failure to handle this data properly could expose the Company to financial penalties and reputational risk.

Macro-economic exposure

Recruitment activity is driven largely by economic cycles and the levels of business confidence. Businesses are less likely to need new hires and employees are less likely to move jobs when they do not have confidence in the market so leading to reduced recruitment activity.

A substantial proportion of the Company's profit arises from fees that are contingent upon the successful placement of a candidate in a position. If the client cancels the assignment at any stage in the process, the Group receives no remuneration.

Michael Page International Recruitment Limited
Strategic Report (continued)
for the year ended 31 December 2020

Principal Risks and Uncertainties (continued)

Foreign exchange – translation risk

Material changes in the strength of the sterling against the functional currencies of other group companies could have an effect on the reported sterling profits in the financial statements.

Section 172 (1) Statement and Statements on engagement with suppliers, customers and others

S172 of the Companies Act requires Directors to take into consideration the interests of stakeholders in their decision-making. The following describes how the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006. This section of the strategic report and the pages to which it refers, comprises the Company's section 172(1) statement together with the statements as to how the directors have engaged with employees and had regard to their interests and how the Directors have had regard to the Company's business relationships with customers, suppliers and other external stakeholders.

The Board understands that providing recruitment services touches many people's lives. As a wholly owned subsidiary of PageGroup plc, the Directors ensure that decisions are beneficial to all the Company's stakeholders as well as having regard to the long-term sustainable success of the Group as a whole. A number of the Directors attend the PageGroup plc board ensuring a close alignment of purpose, strategy and priorities between the Company and its ultimate shareholder. To assist in discharging their s172 duties, the Directors also have access to and receive regular information from the UK Executive Committee known as the "UK Board" who are charged with the day to day running of the Company.

The Company's key stakeholders are listed below together with stakeholder engagement activities:

Employees: we are a people business and delivering the best service possible can only be achieved through having an engaged connected workforce, that places employee wellbeing at the heart of our behaviours and values.

The start of the COVID-19 pandemic in March 2020 saw a change to our ways of working. We sought to ensure that we were listening to the concerns of our people. A rapid consultation exercise between HR, managers and employees was implemented with the purpose of identifying what worked best for our people and the business given the difficult road ahead. There was the implementation of temporary salary reductions, reduction in hours worked or employees were furloughed through the UK Government's Coronavirus Job Retention Scheme. We moved to wholesale remote working to mitigate the risk of spreading COVID-19 and also accelerated our roll-out of digital tools to enable employees to connect to the same systems as in an office environment.

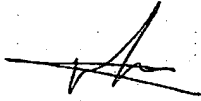
When UK Government guidelines allowed, we launched an extensive programme to ensure our offices were COVID secure and protocols were in place. This was to give our people the flexibility of working where they felt most efficient and safe.

Throughout the year, Board members have communicated with employees through Yammer, a collaborative work-based social networking tool used extensively by the Company's employees. During the year, the Company has undertaken two workforce surveys – "Remote Working Survey" and "our Working Environment Survey". The results of these surveys have been reviewed by the Directors and the UK Board. Key items that came out of which were the need for our people to stay safe, stay connected and have flexibility wherever possible.

Michael Page International Recruitment Limited
Strategic report (continued)
for the year ended 31 December 2020

**Section 172 (1) Statement and Statements on engagement with suppliers, customers and others
(continued)**

This Strategic Report was approved by the Board on 29 September 2021 and signed on its behalf.



Kelvin Stagg

Director

Company Number 04130921 registered in England and Wales

Registered office:

Page House
1 Dashwood Lang Road
Bourne Business Park
Addlestone
Surrey, KT15 2QW

Michael Page International Recruitment Limited
Directors' report
for the year ended 31 December 2020

The Directors of the Company present their report and the financial statements for the year ended 31 December 2020.

Directors

The Directors who served during the year, and up to the date of this report, were:

Kelvin Stagg
Jeremy Tatham
Kaye Maguire
Nicholas Kirk (Appointed 4 August 2021)

Dividend

An interim dividend of £129,597k was paid in the year (2019: £42,237k). The Directors do not recommend a final dividend (2019: nil).

Disabled employees

The Group continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate.

Employment involvement

The Company also remains committed to employee involvement throughout the business. Employees are kept well informed of the performance and strategy of the Company through personal briefings, regular meetings, emails and other communications from the Chief Executive Officer and members of the Executive Board.

During the year our globally aligned crisis communication plans were swiftly put in place, including our 'Staying Connected' campaign reinforcing practical messaging and top tips for: remote working; mental wellbeing; physical activity; social interaction and a very visible and approachable leadership team making use of all our communication channels to stay in touch including two-way communication via Live Events on Microsoft Teams.

The Company operates a number of equity-settled, share-based compensation plans. The awards vest based on the operating profits of the Group in order to incentivise employee engagement. The Company also operates a bonus scheme for some members of staff whereby bonuses are deferred for three years from date of award. The bonuses are paid in full if the employee remains employed for the entire three-year period.

Directors' and officers' liability

The Company has made qualifying third party indemnity provision for the benefit of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in place during the year and remains in force as at the date of approving this Directors' Report.

Michael Page International Recruitment Limited
Directors' report (continued)
for the year ended 31 December 2020

Future developments

Looking ahead, there continues to be a high degree of macro-economic uncertainty as COVID-19 remains a significant issue across the UK. Notwithstanding this we have continued to invest and maintain our operational platform to take advantage of the recovery when it comes. Whilst we have seen an improvement in 2021 trading results it remains too early to tell if this is a result of pent up demand or a longer sustainable trend. The Directors remain satisfied with the future prospects of the company.

Going concern

The Board has undertaken a review of the Group's forecasts, of which the Company is a subsidiary, and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period to September 2022.

Following the reduction in activity starting in February 2020, the Group adopted a number of cost control and cash conservation measures. Through the second quarter and continuing through the second half of the year, activity levels started to pick up in several of the Group's markets. The activity improvements are reflected in KPIs, such as new opportunities, candidates sent to clients, interviews and offers in several of our markets. This trend has continued in line with the Group's Base Case forecast, as described below.

PageGroup plc, the ultimate parent company, has £166m of cash at 31 December 2020, with no debt except for IFRS 16 lease liabilities of £103.5m. Debt facilities relevant to the period comprise a committed £30m RCF with BBVA (facility expiring in May 2023), an uncommitted UK trade debtor discounting facility (up to £50m depending on debtor levels) and an uncommitted £20m UK bank overdraft facility.

The Group has developed Base Case and Downside scenarios that demonstrate the Board's best estimate and severe but plausible downside scenarios respectively for the review period. The Downside scenario is based on assumptions for gross profit and costs that take account of the possibility of further COVID lockdowns and further recessionary pressures, at similar levels to that experienced in 2020. These are mitigated by the reduction in fee earner headcount as a result of natural attrition to some extent, but does not take account of all the other cost containment or cash preservation measures available to the Group if required. All scenarios demonstrate significant cash headroom, with no requirement to utilise any of the facilities.

Having considered the Group's forecasts, the level of cash resources available to the business and the Group's borrowing facilities, the Group's geographical and discipline diversification, limited concentration risk, as well as the ability to manage the cost base, the Board has concluded that the Company has adequate resources to continue in operational existence for the period to September 2022.

PageGroup plc has confirmed they will continue to provide financial support to enable all obligations to be met as necessary. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Re-appointment of auditor

Following the competitive tender process during the year the Board has approved the retaining of Ernst & Young LLP (EY) as the Company's auditor.

Michael Page International Recruitment Limited
Directors' report (continued)
for the year ended 31 December 2020

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

Financial Risk Management

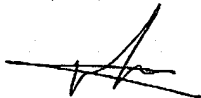
Please refer to the Strategic Report for comments about the financial risk management of the Company.

Directors' statement as to disclosure of information to the auditor

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 7. Having made enquiries of fellow Directors and of the Company's Auditor, each of these Directors confirms that:

- so far as each Director at the date of approving this Report is aware, there is no information (that is, information needed by the Company's Auditor in connection with preparing their report) of which the Company's Auditor are unaware; and
- each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Auditor is aware of that information.

This Directors' Report was approved by the Board and signed on its behalf.



Kelvin Stagg
Director

Date: 29 September 2021

Independent auditor's report

to the members of Michael Page International Recruitment Limited

Opinion

We have audited the financial statements of Michael Page International Recruitment Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "The Financial Reporting Standard 101 Reduced Disclosure Framework applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101 "The Financial Reporting Standard Reduced Disclosure Framework applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Independent auditor's report (continued)

to the members of Michael Page International Recruitment Limited

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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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.

Independent auditor's report (continued)

to the members of Michael Page International Recruitment Limited

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Financial Reporting Standards 101 (FRS 101) and Companies Act 2006) and the relevant tax compliance regulations in the United Kingdom. There are no significant, industry specific laws or regulations that we considered in determining our approach.
- We understood how Michael Page International Recruitment Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. Our audit procedures were designed to either corroborate or provide contrary evidence, the results of which were followed up appropriately. Specifically, we have completed a board minute review to understand procedures in place and verify they are in line with the frameworks. Our assessment included the tone from the top and the emphasis on a culture of honest and ethical behaviour.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations that could give rise to a material misstatement in the financial statements. Our procedures included enquires of management and those charged with Governance; journal entry testing, with a focus on management initiated or top-side adjustments identified based on characteristics of journal posting date and times, account pairings, specific key words and phrases derived from forensic investigations experience; and consideration of any specific bribery, corruption or other regulatory risk.

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

Independent auditor's report (continued)
to the members of Michael Page International Recruitment Limited

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.

A handwritten signature in black ink, appearing to read "Tristan Allen", followed by "Ernst & Young LLP" in a smaller, less legible script.

Tristan Allen (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

Date: 30 September 2021

Michael Page International Recruitment Limited

Statement of comprehensive income for the year ended 31 December 2020

	Notes	2020 £000	2019 £000
Revenue	3	216,962	312,968
Cost of sales		<u>(136,314)</u>	<u>(178,568)</u>
Gross profit		<u>80,648</u>	<u>134,400</u>
Administrative expenses		<u>(81,247)</u>	<u>(120,572)</u>
Operating (loss)/profit	4	<u>(599)</u>	<u>13,828</u>
Income from share in group undertakings		29,597	42,237
Financial expenses	6	<u>(52)</u>	<u>(80)</u>
		<u>29,545</u>	<u>42,157</u>
Profit before taxation		28,946	55,985
Income tax	7	<u>(227)</u>	<u>(2,425)</u>
Total comprehensive Income for the year		<u>28,719</u>	<u>53,560</u>

The above results relate to continuing operations.

Statement of changes in equity for the year ended 31 December 2020

	Called up Share capital £000	Restated (note 2) Capital contribution reserve £000	Retained earnings £000	Total Equity £000
At 1 January 2019	421,544	-	427,873	849,417
Profit for the year	-	-	53,560	53,560
Dividends paid	-	-	(42,237)	(42,237)
Share-based payment transactions	-	-	3,294	3,294
Capital contribution	-	13,282	-	13,282
At 31 December 2019 and 1 January 2020	421,544	13,282	442,490	877,316
Profit for the year	-	-	28,719	28,719
Dividends paid	-	-	(129,597)	(129,597)
Share-based payment transactions	-	-	2,413	2,413
At 31 December 2020	421,544	13,282	344,025	778,851

Michael Page International Recruitment Limited
Balance Sheet
at 31 December 2020

		31 Dec 2020	Restated (note 2) 31 Dec 2019
	Notes	£000	£000
Non-current assets			
Intangible assets	9	705	636
Property, plant and equipment	8	5,088	6,163
Right-of-use assets	10	903	1,127
Investments	11	364,695	364,695
Deferred tax assets	7	855	1,275
		<u>372,246</u>	<u>373,896</u>
Current assets			
Trade and other receivables	12	1,312,026	1,116,701
Income tax receivable		-	9,631
Cash at bank and in hand		4,693	1,762
		<u>1,316,719</u>	<u>1,128,094</u>
Total assets		<u>1,688,965</u>	<u>1,501,990</u>
Current liabilities			
Trade and other payables	13	(907,181)	(621,441)
Lease liabilities	10	(84)	(223)
		<u>(907,265)</u>	<u>(621,664)</u>
Net current assets		<u>409,454</u>	<u>506,430</u>
Non-current liabilities			
Lease liabilities	10	(733)	(882)
Other payables	13	(2,116)	(2,128)
		<u>(910,114)</u>	<u>(624,674)</u>
Total liabilities		<u>(910,114)</u>	<u>(624,674)</u>
Net assets		<u>778,851</u>	<u>877,316</u>
Capital and reserves			
Called up share capital	14	421,544	421,544
Capital contribution reserve	16	13,282	13,282
Retained earnings	16	344,025	442,490
Total equity		<u>778,851</u>	<u>877,316</u>

The financial statements of Michael Page International Recruitment Limited (Company Number 04130921) set out on pages 14 to 34 were approved by the Board of Directors and authorised for issue on 29 September 2021.

Signed on behalf of the Board of Directors



Kelvin Stagg
Director

Date: 29 September 2021

Michael Page International Recruitment Limited
Notes to the financial statements
at 31 December 2020

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Michael Page International Recruitment Limited (the 'Company') for the year ended 31 December 2020 were authorised for issue by the board of directors on 29 September 2021 and the balance sheet was signed on the board's behalf by Kelvin Stagg. Michael Page International Recruitment Limited is a private company limited by share capital incorporated and domiciled in England and Wales.

These financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of PageGroup plc.

The results of Michael Page International Recruitment Limited are included in the consolidated financial statements of PageGroup plc which are available from The Page Group, Page House, 1 Dashwood Lang Road, Bourne Business Park, Addlestone, Weybridge, KT15 2QW.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- (b) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- (e) the requirements of paragraphs 10(d), 10(f), 40(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (f) the requirements of IAS 7 Statement of Cash Flows;
- (g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (h) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, changes in Estimates and Errors
- (i) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that transactions are between wholly owned members of the same Group; and
- (j) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

2. Accounting policies (continued)

2.2 Judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes.

- **Note 3 – revenue recognition**

In making its judgement, management considered the detailed criteria for the recognition of revenue from permanent placements where a position has been accepted by a candidate, a start date agreed but employment has not yet commenced. A provision is made by management based on past historical experience, for the proportion of those placements where the candidate is expected to reverse their acceptance prior to the start date.

For revenue earned on a retained basis we have assessed there is one performance obligation, namely the provision of recruitment services which happens over time. It creates an asset with no other alternative use.

- **Note 12 – trade and other receivables**

There is uncertainty regarding customers who may not be able to pay as their invoices fall due. In reviewing the appropriateness of the provisions in respect of recoverability of trade receivables, consideration has been given to the economic climate in the respective markets, the ageing of the debt and the potential likelihood of default.

- **Note 7 – deferred tax**

Management has estimated the likely value of deferred tax assets in respect of share based payments and accelerated capital allowances.

2.3 Significant accounting policies

Going concern

The Board has undertaken a review of the Group's forecasts, of which the Company is a subsidiary, and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period to September 2022.

Following the reduction in activity starting in February 2020, the Group adopted a number of cost control and cash conservation measures. Through the second quarter and continuing through the second half of the year, activity levels started to pick up in several of the Group's markets. The activity improvements are reflected in KPIs, such as new opportunities, candidates sent to clients, interviews and offers in several of our markets. This trend has continued in line with the Group's Base Case forecast, as described below.

PageGroup plc, the ultimate parent company, has £166m of cash at 31 December 2020, with no debt except for IFRS 16 lease liabilities of £103.5m. Debt facilities relevant to the period comprise a committed £30m RCF with BBVA (facility expiring in May 2023), an uncommitted UK trade debtor discounting facility (up to £50m depending on debtor levels) and an uncommitted £20m UK bank overdraft facility.

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

2. Accounting policies (continued)

2.3 Significant accounting policies

Going concern (continued)

The Group has developed Base Case and Downside scenarios that demonstrate the Board's best estimate and severe but plausible downside scenarios respectively for the review period. The Downside scenario is based on assumptions for gross profit and costs that take account of the possibility of further COVID lockdowns and further recessionary pressures, at similar levels to that experienced in 2020. These are mitigated by the reduction in fee earner headcount as a result of natural attrition to some extent, but does not take account of all the other cost containment or cash preservation measures available to the Group if required. All scenarios demonstrate significant cash headroom, with no requirement to utilise any of the facilities.

Having considered the Group's forecasts, the level of cash resources available to the business and the Group's borrowing facilities, the Group's geographical and discipline diversification, limited concentration risk, as well as the ability to manage the cost base, the Board has concluded that the Company has adequate resources to continue in operational existence for the period to September 2022.

PageGroup plc has confirmed they will continue to provide financial support to enable all obligations to be met as necessary. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Revenue and income recognition

Revenue, which excludes value added tax ("VAT"), constitutes the value of services undertaken by the Company from its principal activities which are recruitment consultancy and other ancillary services. These consist of:

- revenue from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff. This is recognised when the service has been provided;
- revenue from permanent placements is typically based on a percentage of the candidate's remuneration package and is derived from both retained assignments (income recognised on completion of defined stages of work) and non-retained assignments (income recognised at the date an offer is accepted by a candidate and where a start date has been determined). The latter includes revenues anticipated, but not invoiced, at the balance sheet date, which is correspondingly accrued on the balance sheet within prepayments and accrued income. Retained revenue is deemed to have one performance obligation, namely the provision of recruitment services. The transfer of services happens over time since our work creates an asset with no alternative use. A provision is made against accrued income for possible cancellations of placements prior to, or shortly after the commencement of employment;
- revenue from amounts billed to clients for expenses incurred on their behalf (principally advertisements) is recognised when the expense is incurred.

All revenue arose within the United Kingdom.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends

Revenue is recognised when the Company's right to receive payment is established.

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Sterling, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Intangible assets

(i) Trademark

Acquired trademarks are stated at cost and are written down over five years on a straight line basis, which represents the estimated useful life of the asset.

(ii) Computer Software

Computer software acquired or developed by the Company is stated at cost less accumulated amortization and impairment. Amortisation is charged to the income statement on a straight line basis over the estimated useful lives of the intangible assets. Computer software is amortised at 20% per annum unless it is considered to have a shorter life, in which case the period of amortization is reduced. The company reviews intangible software assets for any indication of impairment annually. The Company performed this test on the carrying amount of computer software at 31 December 2020 and noted no indications of impairment.

Property, plant and equipment

Property plant and equipment are stated at original cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Depreciation is calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life at the following rates:

- Motor vehicles 25% per annum
- Leasehold improvements 10% per annum or period of lease if shorter
- Computer equipment 10-20% per annum
- Fixtures & Fittings and Office equipment 10-20% per annum

Investments

Fixed asset investments are stated at cost less provision for impairment.

Impairment of assets

In relation to non-financial assets with finite useful lives, the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount to determine the extent of any impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

Impairment of assets (continued)

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For certain categories of financial asset such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Taxation

Income tax expense represents the sum of the corporation tax and deferred tax charges. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity. In which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Pension costs

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The pension costs charged to profit or loss represent the contributions payable by the Company to the funds during each period.

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Share-based payments

The PageGroup Plc group operates a number of equity-settled share-based compensation plans which are provided to certain employees of the Company.

(i) Share option schemes

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense to the income statement with a corresponding adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example earnings per share). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date the estimate of the number of options that are expected to become exercisable is revised. The Company recognises the impact of the revision of original estimates, if any, in the income statement and the corresponding adjustment to equity over the remaining vesting period.

(ii) Deferred Annual Bonus and Long-term Incentive Plans

Where deferred awards are made to Directors and senior executives under either the Management Incentive Plan or the Long-Term Incentive Plan, to reflect that the awards are for services over a longer period, the value of the expected award is charged to the income statement on a straight-line basis over the vesting period to which the award relates.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Financial assets and liabilities

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Non-derivative financial instruments comprise investments, trade and other receivables, cash and cash equivalents, trade and other payables and Group balances.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest. Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at the lower of their original invoiced value and recoverable amount.

Cash and cash equivalents includes cash-in-hand deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method.

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

Leases

- **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

- **Judgement in determining the lease term of contracts with renewal options**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of three to ten years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

2. Accounting policies (continued)

2.3 Significant accounting policies (continued)

Prior-year restatement

During the year ended 31 December 2019, PageGroup plc, the ultimate parent undertaking, executed a capital contribution in kind of £13.3m to the Company, by way of transferring for no consideration an intercompany receivable from MPI Inc, a fellow subsidiary incorporated in the United States of America. The intercompany receivable was then transferred by way of capital contribution to Michael Page Recruitment Group Limited, a direct subsidiary, for no consideration.

The capital contribution and subsequent transfer were presented net within intercompany, however the accounting entries should have been to recognise a capital contribution and a corresponding increase in investments.

The 2019 comparatives have been restated to correctly recognise a capital contribution of £13.3m and a corresponding increase in the investments value.

Balance sheet

	2019	Restatement	2019 (restated)
Investments	351,413	13,282	364,695
Net assets	765,569	13,282	778,851
Capital contribution reserve	-	13,282	13,282
Total Equity	765,569	13,282	778,851

3. Revenue

	2020 £000	2019 £000
Permanent	51,374	93,168
Temporary	165,588	219,800
Total	216,962	312,968

4. Operating profit

	2020 £000	2019 £000
This is stated after charging/(crediting):		
Depreciation of property, plant and equipment	1,893	2,049
Depreciation of right-of-use assets	224	253
Amortisation of intangible assets	150	188
Net foreign currency exchange differences	(504)	(81)
Operating lease payments	-	5,703
Profit on disposal of property, plant and equipment	(146)	(125)
Government Grants	(3,344)	-

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

4. Operating profit (continued)

Auditor's remuneration of £50k (2019: £50k) for the audit of the financial statements of Michael Page International Recruitment Limited was borne by the intermediate parent company in the current and prior year.

5. Staff costs and directors' remuneration

Staff costs

	2020 £000	2019 £000
Wages and salaries	63,166	84,492
Social security costs	7,593	11,132
Share based payments and deferred cash plan	3,518	4,410
Pension costs – defined contribution plan	3,299	3,251
Total	77,576	103,285

The average monthly number of employees during the year was made up as follows:

	2020 No.	2019 No.
Management	53	57
Client services	682	892
Support staff	357	425
Total	1,092	1,374

Directors' remuneration

No remuneration was paid or is payable to the Directors in their capacity as Directors of the Company as they were remunerated in respect of their employment with other companies within the PageGroup plc group ("PageGroup") (2019: £Nil). Total emoluments paid by the PageGroup to the Directors of the Company consisted of remuneration of £570k (2019: £1,931k) and pension contributions of £73k (2019: £73k). Remuneration details for Directors of Michael Page International Recruitment Limited who also serve on the Board of the ultimate parent company can be found in the Directors' Remuneration Report on pages 83 to 104 of the PageGroup Annual Report and Accounts for the year ended 31 December 2020, which does not form part of this report but can be found on the Group web site at www.page.com/investors. It is not practicable to identify the proportion of these emoluments that relate to the services to this Company.

6. Financial expense

	2020 £000	2019 £000
Financial expenses		
Lease interest	(13)	(15)
Bank interest payable	(39)	(65)
Total interest payable and similar costs	(52)	(80)

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

7. Taxation

(a) Tax charged in the Statement of comprehensive income

	2020 £000	2019 £000
Current income tax:		
UK corporation tax	-	2,484
Prior year adjustment	(193)	115
Current year tax	(193)	2,599
Deferred tax:		
Origination and reversal of temporary differences	598	(168)
Prior year adjustment	(28)	(6)
Impact of rate changes on brought forward balances	(150)	-
Total deferred tax	420	(174)
Total tax charge	227	2,425

(b) Reconciliation of the total tax charge

The tax expense for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are reconciled below:

	2020 £000	2019 £000
Accounting profit before income tax	28,946	55,985
Tax calculated at UK standard rate of corporation tax of 19.00% (2019: 19.00%)	5,500	10,637
Expenses not deductible for tax purposes	37	177
Non-taxable dividends from group companies	(5,623)	(8,025)
Non-qualifying assets	67	59
Employee Share schemes	514	(374)
Group relief received	-	(158)
Prior year adjustment	(221)	109
Loss for current year utilised in prior year	103	-
Deferred tax change of rate	(150)	-
Total tax charge reported in the Statement of comprehensive income	227	2,425

(c) Change in corporation tax rates

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. On 3 March 2021, the Chancellor's budget announced that the headline rate of corporation tax would increase to 25% from April 2023. As this announcement took place after the reporting period, the increased rate has not been reflected in these financial statements.

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

7. Taxation (continued)

(d) Deferred tax

The deferred tax included in the Company balance sheet is as follows:

	2020 £000	2019 £000
Deferred taxation		
At 1 January	1,275	1,101
(Released)/charged for the year	(420)	174
At 31 December	855	1,275

The deferred taxation balance is made up as follows:

Accelerated capital allowances	163	139
Share based payments	692	1,136
	855	1,275

8. Property, Plant and Equipment

	Leasehold improvements	Fixtures & Fittings & office equipment	Computer equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost:					
At 1 January 2020	4,326	1,113	3,004	1,135	9,578
Additions	37	8	481	360	886
Disposals	-	(24)	(1,698)	(424)	(2,146)
At 31 December 2020	4,363	1,097	1,787	1,071	8,318
Depreciation:					
At 1 January 2020	919	307	1,639	550	3,415
Charge for the year	845	138	608	302	1,893
Disposals		(24)	(1,692)	(362)	(2,078)
At 31 December 2020	1,764	421	555	490	3,230
Carrying amount:					
At 31 December 2020	2,599	676	1,232	581	5,088
<i>At 31 December 2019</i>	<i>3,407</i>	<i>806</i>	<i>1,365</i>	<i>585</i>	<i>6,163</i>

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

9. Intangible assets

	Computer software £000	Trademarks £000	Total £000
Cost:			
At 1 January 2020	878	935	1,813
Additions	72	147	219
At 31 December 2020	<u>950</u>	<u>1,082</u>	<u>2,032</u>
Amortisation:			
At 1 January 2020	547	630	1,177
Charge for the year	130	20	150
At 31 December 2020	<u>677</u>	<u>650</u>	<u>1,327</u>
Carrying amount:			
At 31 December 2020	<u>273</u>	<u>432</u>	<u>705</u>
At 31 December 2019	<u>331</u>	<u>305</u>	<u>636</u>

10. Leases

	Property
Right-of-use assets	
At 1 January 2019	1,391
Disposals	(11)
Depreciation expense	(253)
At 31 December 2019 and 1 January 2020	1,127
Depreciation expense	(224)
At 31 December 2020	<u>903</u>

	2020 £000	2019 £000
Lease liabilities		
At 1 January	1,105	1,359
Disposals	-	(11)
Lease interest	13	15
Repayment of capital	(301)	(258)
At 31 December	<u>817</u>	<u>1,105</u>

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

11. Investments

(a) Investments in subsidiaries

Restated (Note 1)

**Investments in
subsidiaries
£000**

Cost and carrying amount 31 December 2020

364,695

Cost and carrying amount 31 December 2019

364,695

(b) Details of group undertakings

The Company's subsidiary undertakings at 31 December 2020 and 31 December 2019 are as follows:

Name of undertaking	Country of incorporation	Percentage held	Principal activity	Registered Address
Michael Page Recruitment Group Limited*	England and Wales	100%	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page Holdings Limited	England and Wales	100%	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page Partnership Limited	England and Wales	100%	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page International Holdings Limited	England and Wales	100%	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page UK Limited	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Page Personnel (UK) Limited	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page Limited	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Slamway Limited	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page Employment Services Limited	England and Wales	100%	Recruitment Consultancy	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
The Assessment Centre Limited	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
LPM (Group Services) Limited	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Sales Recruitment Specialists Limited	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
The Page Partnership Limited	England and Wales	100%	Dormant	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page International Limited (Formerly PageGroup Limited)	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page International Investment Limited	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page International Finance Limited	England and Wales	100%	Non trading company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2QW, UK
Michael Page International (Deutschland) GmbH	Germany	100%	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Page Personnel (Deutschland) GmbH	Germany	100%	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

11. Investments (continued)

Name of undertaking	Country of incorporation	Percentage held	Principal activity	Registered Address
Michael Page Interim GmbH	Germany	100%	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Page Personnel Services GmbH	Germany	100%	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Michael Page International (Nederland) B.V.	Netherlands	100%	Recruitment Consultancy	World Trade Center, Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Page Interim B.V.	Netherlands	100%	Recruitment Consultancy	World Trade Center, Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Michael Page International (Belgium) NV/SA	Belgium	100%	Recruitment Consultancy	Place du Champ de Mars 5 , 1050 Brussels, Belgium
Page Interim (Belgium) NV/SA	Belgium	100%	Recruitment Consultancy	Place du Champ de Mars 5 , 1050 Brussels, Belgium
Michael Page International (Austria) GmbH	Austria	100%	Recruitment Consultancy	Second floor, Gumpendorfer StraÙe 72, Wien, Austria
Michael Page International (Sweden) AB	Sweden	100%	Recruitment Consultancy	Master Samuelsgatan 42, 14tr 111 57 Stockholm, Sweden
Michael Page International (Switzerland) SA	Switzerland	100%	Recruitment Consultancy	Quai de la Poste 12, CH-1204 Geneva, Switzerland
Michael Page International Canada Limited	Canada	100%	Recruitment Consultancy	130 Adelaide Street West, 21st Floor, Toronto, Ontario, M5H 1J8, Canada
Michael Page International (Japan) K.K.	Japan	100%	Recruitment Consultancy	6F Hulin Kamiyacho Building, 4-3-13 Toranomon, Minato-ku, Tokyo 105-0001, Japan
Michael Page International (Hong Kong) Limited	Hong Kong	100%	Recruitment Consultancy	611 One Pacific Place, 88 Queensway, Hong Kong
Michael Page (Beijing) Recruitment Co., Ltd	China	100%	Recruitment Consultancy	Room 1009-1012, 10/F, West Tower, World Financial Centre, No.1 East 3rd Ring Middle Road, Chaoyang District, Beijing, 100020, China
Michael Page (Shanghai) Recruitment Co., Ltd	China	100%	Recruitment Consultancy	Level 18, HKRI Taikoo Hui Tower2, 288 Shimen Yi Road, Shanghai, 200041, China
Michael Page International (Shanghai) Consulting Ltd	China	100%	Recruitment Consultancy	Suite 1010, Shanghai Kerry Centre, 1515 Nanjing West Road, Shanghai, PRC
Taiwan Michael Page International Co. Ltd*	Taiwan	100%	Recruitment Consultancy	8F-1 Shin Kong Xin Yi Financial Building, 36-1 Songren Road Xin-Yi District, Taipei City, Taiwan 110
Michael Page International (SA) (Pty) Limited	South Africa	100%	Recruitment Consultancy	PO Box 653555, Benmore 2010, South Africa
Michael Page International (Poland) Sp.z o.o	Poland	100%	Recruitment Consultancy	ul. Zlota 59, 00-120 Warsaw, Poland
Michael Page International (UAE) Limited	UAE	100%	Recruitment Consultancy	No. 202, Al Fattan Currency House, Tower 1, Dubai International Finance Centre (DIFC), PO Box 506702, Dubai, United Arab Emirates

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

11. Investments (continued)

Name of undertaking	Country of incorporation	Percentage held	Principal activity	Registered Address
Michael Page International (Australia) Pty Limited	Australia	100%	Recruitment Consultancy	Level 32, 225 George Street, Sydney, NSW 2000, Australia
Agensi Pekerjaan Michael Page International (Malaysia) SDN BHD	Malaysia	100%	Recruitment Consultancy	10th Floor, Wisma Hamjah-Kwong Hing, No.1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
Michael Page International Recruitment Pvt Ltd	India	9.15%	Recruitment Consultancy	5th Floor, 2 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (E), Mumbai 400051, India
Michael Page International Italia Srl	Italy	25%	Recruitment Consultancy	Via Spadari 1, 20123 Milan, Italy
Page Personnel Italia SpA	Italy	25%	Recruitment Consultancy	Via Spadari 1, 20123 Milan, Italy
Michael Page International Do Brasil Recrutamento Especializado Ltda	Brazil	10%	Recruitment Consultancy	Rua Funchal 375, 7th Floor Vila Olimpia, CEP 04551-060, Sao Paulo, Brazil
Michael Page International Chile Ltda	Chile	10%	Recruitment Consultancy	Magdalena 181, Piso 16, Las Condes, Santiago 7550055, Chile
Page Personnel International Chile Ltda*	Chile	50%	Recruitment Consultancy	Magdalena 181, Piso 16, Las Condes, Santiago 7550055, Chile
Empresa de Servicios Transitorios Page Interim Chile Ltda*	Chile	50%	Recruitment Consultancy	Magdalena 181, Piso 16, Las Condes, Santiago 7550055, Chile
Michael Page International Argentina SA	Argentina	12%	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Page Personnel Argentina Servicios Eventuales SA	Argentina	25%	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Michael Page International Mexico Servicios Corporativos SA de CV	Mexico	10%	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International Mexico Reclutamiento Especializado S.A. de C.V.	Mexico	10%	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International Empresa de Trabalho Temporario e Servicos de Consultadoria Lda	Portugal	2%	Recruitment Consultancy	Avenida da Liberdade n 180A, 1250-146 Lisboa, Portugal
Michael Page International Do Brasil Recrutamento Especializado Ltda	Brazil	10%	Recruitment Consultancy	Rua Funchal 375, 7th Floor Vila Olimpia, CEP 04551-060, Sao Paulo, Brazil
Michael Page International Chile Ltda	Chile	10%	Recruitment Consultancy	Magdalena 181, Piso 16, Las Condes, Santiago 7550055, Chile
Page Personnel International Chile Ltda*	Chile	50%	Recruitment Consultancy	Magdalena 181, Piso 16, Las Condes, Santiago 7550055, Chile
Empresa de Servicios Transitorios Page Interim Chile Ltda*	Chile	50%	Recruitment Consultancy	Magdalena 181, Piso 16, Las Condes, Santiago 7550055, Chile
Michael Page International Argentina SA	Argentina	12%	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Page Personnel Argentina Servicios Eventuales SA	Argentina	25%	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Michael Page International Mexico Servicios Corporativos SA de CV	Mexico	10%	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International Mexico Reclutamiento Especializado S.A. de C.V.	Mexico	10%	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International Empresa de Trabalho Temporario e Servicos de Consultadoria Lda	Portugal	2%	Recruitment Consultancy	Avenida da Liberdade n 180A, 1250-146 Lisboa, Portugal

* The equity of the subsidiary undertaking is held directly by the Company. The other subsidiaries are held through indirect ownership.

All companies operate principally in their country of incorporation. The Group headed by PageGroup plc holds 100% of all classes of issued share capital.

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

12. Trade and other receivables

	31 Dec 2020 £000	31 Dec 2019 £000
Trade receivables	21,769	36,374
Less provision for impairment of receivables	<u>(1,587)</u>	<u>(1,087)</u>
Net trade receivables	<u>20,182</u>	<u>35,287</u>
Amounts owed by group undertakings	1,277,941	1,063,752
Prepayments and accrued income	621	837
Other receivables	<u>13,282</u>	<u>16,825</u>
	<u>1,312,026</u>	<u>1,116,701</u>

All amounts due from Group undertakings are unsecured, interest-free and repayable on demand.

13. Trade and other payables

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

	31 Dec 2020 £000	31 Dec 2019 £000
Current		
Trade payables	1,674	1,889
Amounts owed to group undertakings	881,094	589,817
Accruals and deferred income	13,812	5,762
Other taxation and social security	10,325	3,025
Other payables	<u>276</u>	<u>20,948</u>
	<u>907,181</u>	<u>621,441</u>
	31 Dec 2020 £000	31 Dec 2019 £000
Non-current		
Other payables	<u>2,116</u>	<u>2,128</u>

All amounts due from Group undertakings are unsecured, interest-free and repayable on demand.

14. Authorised and issued share capital

	2020 thousands	2019 thousands	2020 £000	2019 £000
Cost:				
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	<u>421,544</u>	<u>421,544</u>	<u>421,544</u>	<u>421,544</u>

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

15. Share-based payments

Certain employees of the Company have received share awards from the ultimate parent company 'PageGroup plc' under the following share schemes: Executive Share Option Scheme (ESOS) and Share Option Scheme (SOS). Under these schemes, options are awarded over ordinary 1 pence shares in PageGroup plc. All options granted are settled by physical delivery of shares. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The following table summarises transactions during the year and the share awards outstanding at 31 December 2020:

Year of Grant	Number of options outstanding 1 Jan 2020	Exercised in the year	Options granted in the year	Options lapsed	Number of options outstanding 31 December 2020	Exer- cise price per share	Weighted average remaining contractual life, years
2010 (Note 1)*	10,427	(10,000)	-	(427)	-	381.5p	0.0
2011 (Note 2)	401,954	-	-	(32,718)	369,236	491.0p	0.0
2012 (Note 2)*	229,171	-	-	-	229,171	477.0p	0.1
2013 (Note 2)*	213,316	-	-	-	213,316	442.0p	0.1
2014 (Note 2)*	372,500	-	-	-	372,500	484.0p	0.3
2015 (Note 2)*	280,000	-	-	(35,000)	245,000	526.0p	0.3
2016 (Note 2)*	222,915	-	-	-	222,915	406.0p	0.3
2017 (Note 2)*	535,000	-	-	(71,795)	463,205	435.44p	0.8
2018 (Note 2)*	475,000	-	-	(40,135)	434,865	529.0p	0.9
2019 (Note 2)	475,000	-	-	(20,000)	455,000	458.2p	1.1
2020 (Note 2)	-	-	465,000	-	465,000	487.5p	1.2
Total	3,215,283	(10,000)	465,000	(200,075)	3,470,208		5.1

*These options have fully vested.

Weighted average share price of options exercised during the reported period was £3.82.

Note 1

Executive Share Option Scheme (ESOS)

Under the ESOS, awards of share options can be made to key management personnel and senior employees to receive shares in the ultimate holding company, PageGroup plc. Share options are exercisable at the market price of the shares at the date of the grant. No awards were made under the ESOS scheme since 2010, and this award has fully vested.

For grants under the ESOS plan, the performance condition is tested on the third anniversary and no retesting is allowed thereafter. The share options under the ESOS were granted subject to a performance condition requiring that an option may only be exercised, in normal circumstances, if there has been an increase in base earnings per share of at least 3% per annum above the growth in the UK Retail Price Index.

Note 2

Share Options Scheme (SOS)

Executive Directors of the Company are not eligible to participate in this plan. Any exercises of awards made under this plan are settled by shares held in the Employee Benefit Trust.

This share option scheme was created in 2009 to provide an effective plan under which to grant awards from 2009 onwards. It was the Board's view that grants made under the existing ESOS, which would have required an increase over the 2008 base earnings per share of at least 3% per annum above the growth in the UK Retail Price Index by 2011, would not be achievable due to the impact of the global downturn on the Group's EPS and thus would not provide the required retention incentive. Further grants under the SOS have been made in each year from 2011. The performance conditions for these grants are also directly linked to the Group's Operating Profit.

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

15. Share-based payments (continued)

For the 2011 grant, if Operating Profit is in excess of £100m, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £200m or more. No additional amount of this scheme will vest based on 2020 Operating Profit. The final vesting is 47% based on 2019 Operating Profit.

For grants between 2012 and 2015, if Operating Profit is in excess of £50m, a proportion of the award equivalent to the amount of Operating Profit achieved will vest up to a maximum of 100% if the Operating Profit is £100m or more. As Operating Profit of £118.3m was achieved in 2017, the performance criteria have been fully achieved and these awards have fully vested.

For the 2016 grant, if Operating Profit is in excess of £75m, 2% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £125m or more. As Operating Profit of £142.5m was achieved in 2018, the performance criteria have been fully achieved and these awards have fully vested.

For the 2017 grant, if Operating Profit is in excess of £50m, 25% of the award will vest, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £125m or more. As Operating Profit of £146.7m was achieved in 2019, the performance criteria have been fully achieved and these awards have fully vested.

For the 2018 grant, if Operating Profit is in excess of £75m, 25% of the award will vest. 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £150m or more.

For the 2019 and 2020 grants, if Operating Profit is in excess of £100m, 1% of the award will vest for every additional £1m of Operating Profit achieved, up to a maximum of 100% at Operating Profit of £200m or more.

Other share-based payment plans

The Company also operates a Management Incentive Plan for the Executive Directors and senior employees and a Long-Term Incentive Plan for the Senior Executives. Details of these plans are disclosed in the Directors' Remuneration Report and are settled by cash or the physical delivery of shares, currently satisfied by shares held in the Employee Benefit Trust, part of PageGroup plc, to the extent that service and performance conditions are met.

Share option valuation and measurement

In 2020, options were granted on 13 March with the estimated fair values of the options granted on that day of £0.91 to £1.07. In 2019, options were granted on 16 March with the estimated fair values of the options granted on that day of £0.68.

Share options are granted under service and non-market performance conditions. These conditions are not taken into account in the fair value measurement at grant date. There are no market conditions associated with the share option grants.

The Company recognised total expenses of £2.4m (2019: £3.3m) related to equity-settled share-based payment transactions during the year.

16. Reserves

	Retained earnings £000
1 January 2020	442,490
Profit for the year	28,719
Dividends paid	(129,597)
Share based payment transactions	2,413
31 December 2020	344,025

The dividend paid is equivalent to 30.7 pence per share

Michael Page International Recruitment Limited
Notes to the financial statements (continued)
at 31 December 2020

16. Reserves (continued)

Capital contribution reserve

The capital contribution reserve relates to a gift from the Company's ultimate parent undertaking.

17. Capital commitments

At 31 December 2020, the Company had capital commitments relating to property, plant and equipment, which are contracted for but not provided in these financial statements of £nil (2019: nil).

18. Contingent liabilities

As a result of a group registration for VAT purposes, the Company is contingently liable for VAT liabilities arising in other companies within the VAT group, which at 31 December 2020 amounted to £6.8m (2019: £4.3m).

19. Related party transactions

The Company is taking advantage of the exemption in IAS 24 Related Party Disclosures not to disclose transactions with entities that are also wholly owned subsidiaries of PageGroup plc.

20. Ultimate Group undertaking

The immediate parent company and ultimate parent company is PageGroup plc, a company incorporated in Great Britain. PageGroup plc is the parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared. Copies of the group financial statements of PageGroup plc are available from PageGroup, Page House, 1 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey, KT15 2QW.