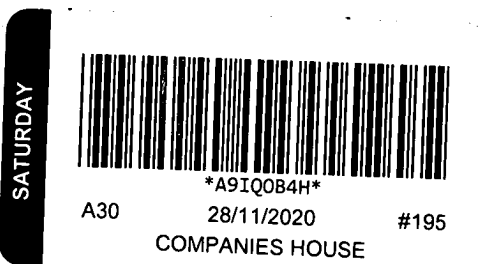


Manpower UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

Registered number: 03841918



Manpower UK Limited

Annual report and financial statements for the year ended 31 December 2019

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Annual report and financial statements for the year ended 31 December 2019

Officers and professional advisers

Directors

M A Cahill
M J Donnelly
D P Whitham

Registered Office

Capital Court
Windsor Street
Uxbridge
Middlesex
UB8 1AB

Banker

National Westminster Bank Plc
118 High Street
Slough
Berkshire
SL1 1JQ

Lawyer

Osborne Clarke Solicitors
1 London Wall
London
EC2Y 5EB

Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3HQ
United Kingdom

Strategic report

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

The Company's principal activity is to provide a full range of human resources services that support clients to complete work efficiently, cost effectively and to high standards of quality. There have not been any significant changes in the Company's principal activity during the year under review and the directors are not aware at the date of this report of any likely major changes in either the nature or level of the Company's activities in the next year.

The Company has always employed the majority of its temporary staff, whilst many of our competitors do not. We believe this sustains our significant competitive advantage with reference to a number of different stakeholders. Employees receive above average benefits and enhanced job security. Our clients benefit from a committed and secure workforce, adding value through higher retention rates.

During 2019 the Company's annual turnover decreased by 9.2% from £530,402,000 to £481,663,000 (2018 – decrease 6.6%). As a result of continuing competitive pressures and a change in the mix of revenue streams there was an increase in the Company's overall gross margin of 0.07% (2018 – decrease 0.10%). The Company's operating profit excluding intra-group royalty charges and intra-group management charges (see note 3) amounted to £3,248,000 (2018 - £764,000).

As shown in the profit and loss account on page 13, the Company's loss after taxation was £769,000 (2018 - £3,305,000 loss).

During 2019, the Company's cash position increased from an overdraft of £4,994,000 to cash of £22,705,000 primarily as a result of decreased working capital requirements and cash flows from other group companies.

The balance sheet on page 15 of the financial statements shows that the Company's financial position at the year end has, in net assets terms, decreased by 9.7% (2018 – increase 1.0%).

Key performance indicators

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

	2019	2018
Gross margin (1)	3.10%	3.03%
Operating profit margin (2)	-0.33%	-0.87%

(1) Gross margin = gross profit as a percentage of turnover.

(2) Operating profit margin = operating profit as a percentage of turnover.

Principal risks and uncertainties

Competitive pressure in the UK is a continuing risk for the Company, which could result in it losing sales to its key competitors. The Company manages this risk by providing added value services to its customers, building and maintaining strong customer relationships and operating efficient supply and account handling procedures.

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk, liquidity risk, cash flow risk and price risk.

Strategic report (continued)

Principal risks and uncertainties (continued)

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the directors consider a significant risk to be that of credit risk in regard to the Company's trade debtors.

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.

The company does not have significant exposure to Brexit, although certain sectors may be subject to candidate shortages depending on the final outcome on the deal with the EU. The Directors will continue to monitor, review and take the appropriate steps to respond to the impact of the COVID-19 pandemic in the Company, as well as recognise and address the other current and emerging risks and uncertainties we face as a business. Following the COVID-19 impact at the end of the first quarter of 2020 and the subsequent UK lockdown, April to September 2020 volumes have been affected, but have remained resilient at between 70% to 80% of prior year levels dependent on the month. The future impact of COVID-19 will be determined by how much and in which sectors the economy will bounce back, these factors are unknown as at the date of this report. ManpowerGroup companies are well placed to respond positively to the changing market conditions from these factors.

S172(1) statement

The individual directors are aware and mindful of their duty under s.172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard amongst other matters to the likely consequences of any decision in the long term, the interests of the Company's employees, the need to foster the Company's business relationships with its suppliers, customers and others, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct and the need to act fairly as between members of the Company (together, the "S.172(1) Matters").

The Board recognises that difficult decisions must sometimes be taken which require each director to exercise independent judgment and apply reasonable care, skill and diligence in the decision-making process. In doing so, the Board recognises its responsibilities to the Company's different stakeholder groups.

The Board has determined the Company's key stakeholder groups to be: Customers, Suppliers, People and Shareholders (together, the "Stakeholder Groups"). Each Stakeholder Group plays an important role in the ability of the Company to execute its strategy and deliver on its purpose.

The Company has processes in place to capture and consider the views of its Stakeholder Groups and share their views at relevant levels within the business, including with the Board, to ensure that regard is given to these views in decision-making processes. Examples are provided below of typical methods of engagement with the Stakeholder Groups and how the Board stays apprised of their views to inform its decision-making.

Strategic report (continued)

Customers

The Company prides itself on anticipating the needs of its customers so it can deliver a differentiated customer experience. Various methods are utilised to understand customer needs and feedback including Net promoter scores, Customer forums on relevant employment topics, complaints information and feedback shared by customers directly.

The Company's board have direct reports of Sales and Marketing Director and Operations Directors for each business area, who periodically inform the Board directly as to customer matters, ensuring the Board takes customer interests into account in its decision-making. Where possible the board participate in customer forums and meet customers directly to gain feedback on customer views and needs.

Suppliers

The Board recognises the need to foster the Company's business relationships with suppliers and ensures that the Company has processes in place to engage and consult with its suppliers on a regular basis to develop and maintain lasting and meaningful relationships.

The Company proactively engages and consults with its suppliers as required to understand their views and needs. The Company is mindful of its payment policies, practices and performance with respect to its suppliers and takes steps to ensure that agreed payment terms are adhered to so as not to adversely affect supplier cash flows and ability to trade. The Board receives periodic reporting in this area, ensuring that appropriate controls and processes remain in place. Prior to making internal process improvements, consideration is given to the potential impact of proposed changes upon suppliers and other business partners. During 2019 the extra area of engagement and consultation with suppliers concerned the proposed implementation of IR35 measures by HMRC to the contractor population in the UK.

People

The Company employs various tools to seek and utilise the views of its people including via informal feedback, Employee forums, short online surveys and an annual Employee opinion survey.

The Company's board have direct reports of Talent Director and HR Director, who keep the Board directly informed as to people and culture matters, which are also a standing agenda item on the board meetings for the wider UK Group. In 2019, employees participated in an Employee opinion survey as they do each year, the results of which were shared with the Board to inform the Board's decisions as to enhancements to be made by the business with respect to its People. The results are also shared and discussed with employees throughout the management structure to act on the findings of the survey.

Shareholders

ManpowerGroup Inc, the Company's ultimate parent company, has ongoing engagement with its shareholders on the enterprise's corporate governance practices, executive compensation program and environmental and social topics. ManpowerGroup Inc. representatives through a regional management structure, have a specific mandate to manage the board of the company and keep the Company informed as to shareholder views and provide alignment with ManpowerGroup Inc.

Strategic report (continued)

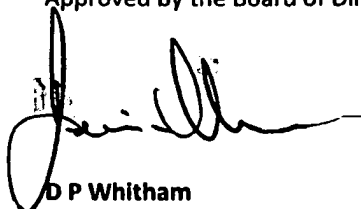
Future developments

There has been margin pressure in the recruitment industry for a number of years, particularly in larger contracts and this is expected to continue for the foreseeable future.

At the time of this report, both employment trends and the use of temporary staff in the UK continue to remain uncertain. However, with a strong pipeline and an efficient operation, the directors believe that the Company is well positioned to take market share from its competitors and return a stable performance in the coming year.

The directors expect the general level of activity to increase in the forthcoming year from the levels encountered in April to September 2020 described above as the economy recovers from the COVID-19 restrictions.

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



D P Whitham
Director

13 NOVEMBER 2020

Capital Court
Windsor Street
Uxbridge
Middlesex
UB8 1AB

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 2019.

Corporate Governance Statement

The board of directors (the Board) aspires to have and maintain good standards of corporate governance and has adopted a corporate governance code appropriate for the Company.

The Board has chosen not to adopt and report against the 2018 UK Corporate Governance Code, which in its view is designed and is therefore more appropriate for premium listed companies. Whilst the Company supports the introduction of the Wates Corporate Governance Principles for Large Private Companies, it considers that they are less suitable for a wholly owned subsidiary of a US listed parent. The Company has therefore adopted its own corporate governance code in the form of four overarching principles, as set out below, which it believes are appropriate for the Company and are designed to ensure effective decision-making to promote the Company's long-term success.

Set out below are the principles which underpin the Company's corporate governance code and how these principles have been applied during the financial year ended 31 December 2019.

Principle One: Leadership

The Company is led by the Board which promotes the success of the Company for the benefit of its members, ensuring that it operates with a clear sense of purpose that aligns with its values, strategy and culture.

The strategy and culture of the Company is underpinned by a clear vision of the Company's purpose and overall values which are articulated through the leadership of the board and having strong reference to the vision of and working within the guidelines set by the Company's ultimate parent, ManpowerGroup Inc. ManpowerGroup Inc.'s vision, shared by the Company, is to lead in the creation and delivery of innovative workforce solutions and services that enable its clients to win in the changing world of work. Further details of its high ethical standards, principles, values and strategy can be found on their website.

Principle Two: Board Composition

The Board has an appropriate composition and size to enable it to effectively lead the company.

The size and composition of the Board is appropriate and proportionate for the business of the Company. The directors have an appropriate combination of technical, financial and commercial skills, collectively demonstrating a high level of understanding of the Company's market, business model and its impact on key stakeholders. The Board manage policies, risks and strategies in the Company and the wider UK group through a committee of specialist executives (the Executive Committee). ManpowerGroup Inc. representatives through a regional management structure, have a specific mandate to manage the board of the company and keep the Company informed as to shareholder views and provide alignment with ManpowerGroup Inc.'s policies and strategy.

Principle Three: Directors Responsibility

Directors have a clear understanding of their accountability and responsibilities.

The Boards policies and procedures support effective decision making, acting on feedback from the regional management structure of ManpowerGroup Inc and the Executive Committee managing the day to day UK Group. Further details of Directors responsibilities, how they are discharged and how they interact with stakeholders is contained in the Strategic Report S172(1) statement.

Principle Four: Stakeholder relationship and Engagement

The Board should build and maintain effective relationships with stakeholders.

The Board seeks to understand the views of its key stakeholders and the impact of its behaviour and business on employees, customers, suppliers, members and society more broadly. Whilst some of this engagement takes place at a regional and ManpowerGroup Inc level, the Board engages directly with stakeholders where possible through participation in forums and roundtables as well as joining industry, sector and topic debates. For more information see the Strategic Report S172 (1) statement.

Directors' report (continued)

Directors and their interests

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

C Arthur	-	Resigned 1 October 2019
M A Cahill		
M J Donnelly		
J Hick	-	Resigned 8 October 2019
D P Whitham		

None of the directors had a material interest in any contract entered into by the Company during the year under review or the prior year.

Future developments

Details of future developments can be found in the strategic report on page 5.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. This is unchanged despite the uncertain economic climate due to COVID-19.

Information in respect of financial risk management and liquidity risks is set out in the strategic report on pages 2 and 3 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 pages 2 and 3, "principal risks and uncertainties".

Employees

Details of the number of employees and related costs can be found in note 7 to the financial statements.

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

Directors' report (continued)

Employee consultation

The directors recognise the importance of communicating effectively with all levels of employees on matters which affect their current occupations and future prospects. Communications with employees is achieved through regular individual meetings at local level and through information briefing sessions and discussions with wider groups of employees.

Special emphasis is placed on training of staff and a full range of internally organised training courses is provided for this purpose.

The Company offers a range of employee benefits to staff who qualify by reason of seniority and length of service including a pension scheme, death-in-service benefits and private medical insurance.

Auditor

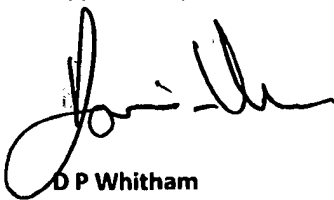
Each of the persons who is a director at the date of approval of this report confirms that:

- 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



D P Whitham
Director

13 NOVEMBER 2020

Capital Court
Windsor Street
Uxbridge
Middlesex
UB8 1AB

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
Manpower UK Limited**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Manpower UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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 18.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Manpower UK Limited (continued)

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Independent auditor's report to the members of
Manpower UK Limited (continued)**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

16 November 2020

**Profit and loss account
For the year ended 31 December 2019**

	Note	2019 £000	2018 £000
Turnover		481,663	530,402
Cost of sales		<u>(466,736)</u>	<u>(514,327)</u>
Gross profit		14,927	16,075
Other operating expenses	3	<u>(16,515)</u>	<u>(20,710)</u>
Operating loss		(1,588)	(4,635)
Finance costs (net)	4	<u>716</u>	<u>621</u>
Loss before taxation	5	(872)	(4,014)
Tax on loss	9	<u>103</u>	<u>709</u>
Loss for the financial year attributable to equity shareholder of the Company		<u><u>(769)</u></u>	<u><u>(3,305)</u></u>

All activities relate to continuing operations.

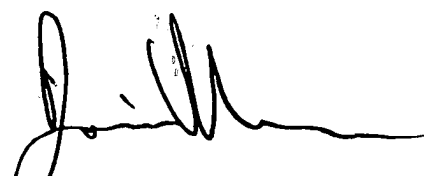
**Statement of comprehensive income
For the year ended 31 December 2019**

	2019	2018
	£000	£000
Loss for the financial year	<u>(769)</u>	<u>(3,305)</u>
Re-measurement of net defined benefit asset	(7,451)	4,614
Tax relating to components of other comprehensive income/(expense)	<u>1,267</u>	<u>(598)</u>
Other comprehensive (expense)/income	<u>(6,184)</u>	<u>4,016</u>
Total comprehensive (expense)/income attributable to equity shareholder of the Company	<u><u>(6,953)</u></u>	<u><u>711</u></u>

**Balance sheet
As at 31 December 2019**

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	10	<u>1,389</u>	<u>1,782</u>
Current assets			
Debtors	11		
- due within one year		188,808	198,816
- due after one year		674	658
Cash at bank and in hand		<u>22,705</u>	<u>-</u>
		212,187	199,474
Creditors: amounts falling due within one year	12	<u>(159,554)</u>	<u>(147,428)</u>
Net current assets		<u>52,633</u>	<u>52,046</u>
Defined benefit pension asset	16	<u>12,791</u>	<u>21,402</u>
Provisions for liabilities	13	<u>(2,174)</u>	<u>(3,638)</u>
Net assets		<u>64,639</u>	<u>71,592</u>
Capital and reserves			
Called up share capital	14	950	950
Share premium account	14	44,556	44,556
Profit and loss account	14	<u>19,133</u>	<u>26,086</u>
Shareholder's funds		<u>64,639</u>	<u>71,592</u>

The financial statements of Manpower UK Limited, a company registered in England and Wales, registered number 03841918, were approved by the Board of Directors and authorised for issue on ~~13 November~~ 2020. They were signed on its behalf by:



D P Whitham
Director

**Statement of changes in equity
For the year ended 31 December 2019**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
At 1 January 2018	950	44,556	25,375	70,881
Loss for the financial year	-	-	(3,305)	(3,305)
Other comprehensive income	-	-	4,016	4,016
Total comprehensive income	-	-	711	711
At 31 December 2018	950	44,556	26,086	71,592
Loss for the financial year	-	-	(769)	(769)
Other comprehensive expense	-	-	(6,184)	(6,184)
Total comprehensive expense	-	-	(6,953)	(6,953)
At 31 December 2019	950	44,556	19,133	64,639

Notes to the financial statements For the year ended 31 December 2019

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

Manpower UK 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 Manpower UK Limited's operation and its principal activities are set out in the strategic report on pages 2 to 5.

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

Manpower UK 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. Manpower UK Limited is consolidated in the financial statements of its ultimate parent, ManpowerGroup Inc., which may be obtained at 100 Manpower Place, Milwaukee, Wisconsin 53212, USA. Exemptions have been taken in these separate company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 to 5. The financial position of the Company is described in the strategic report.

The Company has considerable financial resources together with long term contracts with a number of customers across different industries. The business model facilitates the flexibility to move quickly and efficiently with changing environmental conditions and as a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Company has significant net current assets and net assets and has access to third-party short term debt finance that is available to all ManpowerGroup Inc. group companies. ManpowerGroup Inc., the Company's ultimate parent company, has given written assurance that they will continue to support the Company for at least twelve months subsequent to the sign off date of this report.

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. This is unchanged despite the uncertain economic climate due to COVID-19.

Notes to the financial statements For the year ended 31 December 2019

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over their estimated useful lives as follows:

Furniture and equipment	-	3-8 years
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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 was already of an age and in the condition expected at the end of its useful life.

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 substantively 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.

Notes to the financial statements For the year ended 31 December 2019

1. Accounting policies (continued)

Turnover

Turnover is derived entirely in the United Kingdom and is stated net of VAT and trade discounts. Turnover is recognised when the significant risks and rewards are considered to have been transferred to the buyer. When the company does not have exposure to the significant risks and rewards associated with the rendering of services and is in substance acting as an agent, revenue is recorded net based on the amount of commission earned. Turnover arising from temporary placements is recognised over the period that temporary staff is provided. Turnover arising from the placement of permanent candidates is recognised at the time the candidate commences employment.

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 5 and 15 respectively. The terms of all operating leases are continually reviewed and a provision is made for the discounted value of future onerous lease payments where appropriate.

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 Manpower Pension Plan (see note 16). This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. The Company recognises a cost equal to its contribution payable for the period in its profit and loss account.

It is the policy of the Manpower Pension Plan 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.

Contributions to the defined contribution scheme are charged to the profit and loss account as incurred.

Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

Notes to the financial statements For the year ended 31 December 2019

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.

Revenue recognition

The company records revenue net where in substance it is acting as an agent. The directors have taken consideration of a certain segment of the business being in Managed Service Provider contracts, where the company manage all the temporary labour suppliers for a business for a fixed percentage fee. In this growing segment the directors have determined that the nature of the company's services are in substance that of an agent and as such under the guidance of FRS 102 the revenues for this segment are shown net, with only the fixed percentage fees for providing the service being shown as revenue and gross profit. The impact of this in 2019 was to exclude £324m (2018 - £257m) of gross billings from revenue.

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.

Bad debt provision

At each balance sheet date, management evaluate the collectability of trade receivable and record a provision based on the anticipated recoverable cash flow and the past due date. At balance sheet date this amounted to £786k (2018 – £789k).

3. Other operating expenses

	2019	2018
	£000	£000
Administrative expenses	11,679	15,311
Intra-group royalty charge	4,291	4,882
Intra-group management charge	545	517
Other operating expenses	<u>16,515</u>	<u>20,710</u>

**Notes to the financial statements
For the year ended 31 December 2019****4. Finance costs (net)**

	2019	2018
	£000	£000
Interest payable and similar expenses	60	21
Investment income	(183)	(175)
Other finance income	(593)	(467)
Finance costs (net)	(716)	(621)
Interest payable and similar charges		
Bank loans and overdrafts	60	21
Investment income		
Other interest receivable	(183)	(175)
Other finance income		
Net interest on defined benefit asset	(593)	(467)

5. Loss before taxation

	2019	2018
	£000	£000
Loss before taxation is stated after charging:		
Depreciation of tangible fixed assets	664	521
Loss on disposal of furniture and equipment	-	29
Restructuring costs of branch network consolidation	64	2,551
Operating lease rentals		
- plant and machinery	198	349
- other	420	503

6. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £131,000 (2018 - £104,000).

Fees paid to Deloitte LLP and their associates for the audit of the annual accounts of fellow group companies were borne by the Company and comprised ManpowerGroup UK Limited £59,000 (2018 - £47,000) and Manpower Services Limited £30,000 (2018 - £24,000).

No other remuneration was paid to the Company's auditor during the year (2018 - £nil).

**Notes to the financial statements
For the year ended 31 December 2019**

7. Staff numbers and costs

	2019	2018
	£000	£000
Staff costs of the Company, including directors, were:		
Salaries	351,193	407,004
Social security costs	26,067	31,049
Other pension costs	2,557	1,779
	<u>379,817</u>	<u>439,832</u>

	2019	2018
	Number	Number
The monthly average number of persons employed by the Company during the year, including directors, was:		
Operational staff	14,418	16,924
Central and administration staff	172	176
	<u>14,590</u>	<u>17,100</u>

8. Directors' remuneration and transactions

	2019	2018
	£000	£000
Directors' remuneration		
Emoluments	1,330	2,004
Company contributions to money purchase pension schemes	75	84
	<u>1,405</u>	<u>2,088</u>

	2019	2018
	Number	Number
The number of directors who:		
Are members of a money purchase pension scheme	4	4
Are members of a defined benefit pension scheme	2	2

	2019	2018
	£000	£000
Remuneration of the highest paid director:		
Emoluments	515	862
Company contributions to money purchase scheme	-	-
	<u>515</u>	<u>862</u>

At 31 December 2018 and 31 December 2019, the highest paid director of the Company had no accrued pension entitlement under the defined benefit scheme. No long-term service incentives were payable to this director.

**Notes to the financial statements
For the year ended 31 December 2019**

9. Tax on loss

	2019	2018
	£000	£000
The tax credit comprises:		
Current tax on loss		
UK corporation tax	122	-
Adjustments in respect of previous years	(10)	(533)
Total current tax	<u>112</u>	<u>(533)</u>
Deferred tax		
Origination and reversal of timing differences	(239)	(180)
Adjustments in respect of previous years	(1)	4
Effect of change in tax rates	25	-
Total deferred tax credit	<u>(215)</u>	<u>(176)</u>
Total tax credit on loss	<u>(103)</u>	<u>(709)</u>

In addition to the amount credited to the profit and loss account, the following amounts relating to deferred tax have been directly recognised in other comprehensive income.

	2019	2018
	£000	£000
Deferred tax (credit)/charge on retirement benefit obligation	<u>(1,267)</u>	<u>598</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2019	2018
	£000	£000
Loss before taxation	<u>(872)</u>	<u>(4,014)</u>
Tax on loss at standard UK tax rate of 19% (2018 – 19%)	(166)	(763)
Effects of:		
Expenses not deductible for tax purposes	48	(182)
Effect of change in tax rates	25	-
Group relief surrendered for no receipt	-	769
Adjustments to tax charge in respect of previous years	(10)	(533)
Total tax credit on loss	<u>(103)</u>	<u>(709)</u>

**Notes to the financial statements
For the year ended 31 December 2019****9. Tax on loss (continued)**

The Finance Act 2016, which was substantively enacted in September 2016, included provisions to reduce the rate of UK corporation tax to 19% with effect from 1 April 2017 and 17% with effect from 1 April 2020. Deferred taxation is measured at tax rates that are expected to apply in the periods in which temporary timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively been enacted at the balance sheet date. The 2020 UK Budget on 11 March reversed the reduction in the corporation tax rate from 19% to 17%. This reversal was substantively enacted on 17 March 2020 via Budget resolutions. Since this anticipated reversal of the rate reduction was not substantively enacted at the balance sheet date, deferred tax has been provided at 17%. Accordingly 17% has been applied when calculating deferred tax assets and liabilities as at 31 December 2019.

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

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

10. Tangible fixed assets

	Furniture and equipment £000
Cost	
At 1 January 2019	12,597
Additions	271
Disposals	-
At 31 December 2019	<u>12,868</u>
Depreciation	
At 1 January 2019	10,815
Charge for the year	664
Disposals	-
At 31 December 2019	<u>11,479</u>
Net book value	
At 31 December 2019	<u>1,389</u>
At 31 December 2018	<u>1,782</u>

**Notes to the financial statements
For the year ended 31 December 2019****11. Debtors**

	2019	2018
	£000	£000
Amounts falling due within one year:		
Trade debtors	165,293	164,486
Amounts due from parent undertakings	693	13,192
Amounts due from other group undertakings	1,730	5,303
Other debtors	4,410	350
Prepayments and accrued income	16,682	15,485
	<u>188,808</u>	<u>198,816</u>
Amounts falling due after more than one year:		
Deferred tax asset (see note 13)	674	658
	<u>189,482</u>	<u>199,474</u>

Amounts due from parent undertakings comprise current accounts that are interest-free, unsecured and repayable on demand.

Amounts due from other group undertakings comprise current accounts that are interest-free, unsecured and repayable on demand.

12. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	4,818	3,663
Bank overdraft	-	4,994
Amounts due to parent undertakings	2,747	-
Amounts due to other group undertakings	73,956	69,715
Taxation and social security	19,364	20,290
Other creditors	12,355	14,228
Accruals and deferred income	46,314	34,538
	<u>159,554</u>	<u>147,428</u>

Amounts due to parent undertakings comprise current accounts that are interest-free, unsecured and repayable on demand.

Amounts owed to other group undertakings comprise current accounts that are interest-free, unsecured and repayable on demand.

**Notes to the financial statements
For the year ended 31 December 2019**

13. Deferred tax

	Deferred capital allowances £000	Retirement benefits £000	Other timing differences £000	Total £000
At 1 January 2019	421	(3,638)	235	(2,980)
(Charged)/credited to profit and loss	(35)	197	53	215
Credited to other comprehensive income	-	1,267	-	1,267
	<u>386</u>	<u>(2,174)</u>	<u>288</u>	<u>(1,500)</u>

	2019 £000	2018 £000
Deferred tax assets	674	658
Deferred tax liabilities	(2,174)	(3,638)
	<u>(1,500)</u>	<u>(2,980)</u>

14. Called up share capital and reserves

	2019 £000	2018 £000
Authorised:		
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid		
950,000 Ordinary shares of £1 each	<u>950</u>	<u>950</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 Share premium reserve contains the premiums arising on the issue of equity shares, net of issue expenses.

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

**Notes to the financial statements
For the year ended 31 December 2019****15. Financial commitments**

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

	2019		2018	
	Plant and machinery £000	Other £000	Plant and machinery £000	Other £000
- within one year	126	973	97	728
- between one and five years	296	1,814	19	432
- over five years	-	-	-	-
	<u>422</u>	<u>2,787</u>	<u>116</u>	<u>1,160</u>

16. Employee benefits**Defined contribution scheme**

The Company made contributions to the defined contribution section of the Plan amounting to £985,000 (2018 - £1,088,000) in the year.

Defined benefit scheme

The Company participates in a group defined benefit scheme for qualifying employees. Under the scheme, the employees are entitled to retirement benefits based a percentage of the final salary on attainment of a retirement age of 65. The group headed by the Company's immediate parent company, ManpowerGroup UK Limited ('the Group') operates a pension arrangement with a defined contribution and a defined benefit section known as the Manpower Pension Plan ("the Plan"). The defined benefit section of the Plan has a funding surplus of £12.8 million (2018 - £21.4m) based on the actuarial valuation provided by the scheme actuaries as at 31 December 2019 for the purposes of FRS 102. The current year service costs are funded principally by the Company, although some costs are borne by other companies in the Group. Contributions to the plan for the current period expensed by the Company were £nil (2018 - £nil) which includes the additional payments of £nil (2018 - £nil) to fund any deficit in the Plan. The Company is the primary contributor to the defined benefit section of the Plan and will continue to provide further funding to the Plan in accordance with the contribution rates agreed with the Trustees.

**Notes to the financial statements
For the year ended 31 December 2019**

16. Employee benefits (continued)

The valuation of the Plan has been updated by independent actuaries to 31 December 2019. The major assumptions used to determine this valuation are as follows:

	2019	2018	2017	2016
	% pa	% pa	% pa	% pa
Retail Price inflation (% pa)	3.20%	3.40%	3.40%	3.45%
Consumer Price inflation (% pa)	2.30%	2.40%	2.40%	2.45%
Salary increase rate	2.60%	2.70%	2.70%	2.50%
Discount rate	2.00%	2.85%	2.50%	2.75%

Mortality assumptions:

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Valuation		
	At		
	2019	2018	2017
	Years	years	years
Retiring today:			
Males	23.0	23.4	22.1
Females	24.3	24.8	24.8
Retiring in 20 years:			
Males	23.9	24.4	26.1
Females	25.5	26.1	26.9

The assets of the Plan and the surplus are as follows:

	2019	2018
	£000	£000
Asset backed securities	25,479	-
Real estate	6,243	6,484
Debt securities – Corporate	28,802	25,165
Debt securities – Government	33,671	31,710
Insurance Contracts	39,627	36,244
High Yield Credit	15,376	13,251
Cash and cash equivalents	3,433	26,922
Total Value of Assets	152,631	139,776
Actuarial (value) of liabilities	(139,840)	(118,374)
Surplus	12,791	21,402

**Notes to the financial statements
For the year ended 31 December 2019****16. Employee benefits (continued)**

Reconciliation of fair value of Plan assets is as follows:

	2019	2018
	£000	£000
Opening fair value of Plan assets	139,776	150,686
Interest income	3,891	3,693
Contributions by Plan participants	12	17
Contributions by company	-	-
Actual return on assets	14,703	(8,594)
Benefits (paid)	(5,751)	(6,026)
Closing fair value of Plan assets	<u>152,631</u>	<u>139,776</u>

Reconciliation of Plan benefit obligation is as follows:

	2019	2018
	£000	£000
Opening defined benefit obligation	118,374	132,012
Current service cost	396	691
Administration costs	556	560
Interest cost	3,298	3,226
Contributions by Plan participants	12	17
Actuarial losses / (gains)	22,154	(13,208)
Past service cost	800	1,102
Benefits (paid)	(5,751)	(6,026)
Closing defined benefit obligation	<u>139,840</u>	<u>118,374</u>

Amounts recognised in the profit and loss account in respect of the defined benefit scheme is as follows:

	2019	2018
	£000	£000
Current service cost	396	691
Past service cost	800	1,102
Net interest income	(593)	(467)
Administration costs	556	560
	<u>1,159</u>	<u>1,886</u>
Recognised in other comprehensive (expense)/income	<u>7,451</u>	<u>(4,614)</u>
Total cost/(income) relating to defined benefit scheme	<u>8,610</u>	<u>(2,728)</u>

Notes to the financial statements For the year ended 31 December 2019

16. Employee benefits (continued)

The amount included in the balance sheet arising from the Company's obligations in respect of its defined benefit scheme is as follows:

	2019 £000	2018 £000
Fair value of scheme assets	152,631	139,776
Present value of defined benefit obligations	<u>(139,840)</u>	<u>(118,374)</u>
Net surplus recognised in balance sheet	<u>12,791</u>	<u>21,402</u>

17. Post Balance Sheet and Subsequent Events

Subsequent to the end of the year, the COVID-19 pandemic has led to lockdowns and restricted activity around the world, which in turn has impacted the UK market and economy. The directors recognise that there will be an impact on the company's performance although the longer term effect is difficult to predict. The COVID-19 pandemic is assessed to be a non-adjusting subsequent event and therefore its effect is not reflected in these financial statements.

18. 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 ManpowerGroup UK Limited, a company registered in England and Wales.

The smallest and largest group in which the results of Manpower UK 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.